HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Wednesday, September 25, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

YUGOSLAVIA

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, yesterday representatives of the Croatian Canadian community met with parliamentarians from this House. They asked for Canada's assistance in involving the world community in working toward a permanent peace and to recognize Croatia's right to self-determination.

As the United Nations has a proven track record with similar interventions, members from all sides of the House agree that the first step should be third party mediation by the United Nations in the form of peacekeeping troops.

We must act now to stop the Yugoslavian strife. Untold numbers of people are suffering and dying from the ongoing violence and repression. Independent bodies, such as Amnesty International, have faced difficulties in obtaining accurate information as to the variety and the extent of the suffering caused by this conflict.

If Canada is to uphold its responsibilities within the new internationalism, it must ensure that human rights, individual rights and minority rights are placed above the absolute rights of sovereign states. The United Nations can and must facilitate this.

As the UN Security Council prepares for its special meeting tomorrow on this issue, I call upon the government and this House to contact the UN today to request the UN send peacekeeping troops to Croatia immediately.

AGRICULTURE

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I am sure all members of the House join me in urging the government to respond quickly to the plight of western farmers. But at the same time, let us not forget that agriculture is a vitally important industry to Atlantic Canada as well.

Atlantic farmers are looking for a clear and unequivocal indication from the Government of Canada that the supply management system now in place and so vital to Atlantic agriculture is a principle that will be recognized as being sacrosanct by the Government of Canada and one that will not be bargained away during GATT negotiations.

Similarly, Atlantic farmers are concerned with the continuing erosion of the effectiveness of the feed freight assistance program. They are looking for a clear indication that the government intends to implement the second phase of the Atlantic livestock feed initiative. Livestock and poultry products in Atlantic Canada generate an annual farm gate value of $500 million. There are some 4,000 commercial scale farms with over 25,000 persons employed in the industry.

I urge the government, and in particular the ministers of agriculture and regional development, not to forget Atlantic farmers and to keep their representatives well informed of the government's intentions.

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FISHERIES

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, thousands of the men and women who make their living fishing and working in the plants and all their families are facing the most severe economic disaster in memory.

The fishery along the coast of Labrador and the northeast coast of Newfoundland has been nearly a complete failure. Even officials of fisheries and oceans have never seen anything like it. Thousands are without

sufficient fish or work to even qualify for unemployment insurance.

The Minister of Fisheries and Oceans has been hinting that something might be done some day. The people of Cartwright cannot wait for "some day". The people of Fogo cannot wait for "some day". These communities need help today. You cannot feed and clothe a family on air and empty promises.

The Newfoundland fishery needs a catch failure program for the future, but what the fishery needs now is an immediate aid program. This disaster is a federal responsibility. The government must act, and it must act today.

* * *

TRADE

Mr. Bill Domm (Peterborough): Mr. Speaker, I rise to congratulate General Electric Canada of Peterborough which has just won a multimillion dollar high technology contract to export robotic fuelling machines for the second CANDU reactor sold to South Korea.

The CANDU reactor is unique in the world for its superb design, which allows the reactor to be refuelled while it is producing electricity at full power.

G-E Canada is predicting the contract will generate 65 person-years of work in Peterborough over the next five years.

As you know, Mr. Speaker, the $1.2 billion cash sale to South Korea of the CANDU reactor was signed at Christmastime last year by Atomic Energy of Canada Limited. G-E Canada's world class nuclear energy technology speaks volumes for our country's high-tech competitiveness in the tough, global marketplace.

I would ask you, Mr. Speaker, to join me and other members of the House in applauding this significant Canadian achievement.

* * *

PREMIER FRANK MCKENNA

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, last Monday, September 23, because of his honesty, hard work and determination, the people of New Brunswick rewarded Premier Frank McKenna with a second consecutive landslide victory.

Since he was first elected premier in 1987, Mr. McKenna has provided the province with principled and credible leadership. By emphasizing issues important to all New Brunswickers such as education, environmental protection and the economy, Mr. McKenna has proven himself worthy of the trust of New Brunswickers.

[*Translation*]

Furthermore, with his talent as leader, Mr. McKenna has succeeded in reducing unemployment and made New Brunswick the leader in economic growth in North America. Mr. Speaker, I have no doubt that in the next four years, New Brunswickers and Canadians will be very well served by the McKenna government and the example he gives us all. I wish to extend my sincere congratulations to Mr. McKenna and all members of his government and wish them best of luck for the next four years.

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[*English*]

ACID RAIN

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, the Hon. Jean Charest, Minister of the Environment and the Hon. William K. Reilly, Administrator of the U.S. Environmental Protection Agency were co-recipients of the 1991 Gold Medal of the America's Society in New York City on Monday, September 23. The award honours distinguished service in the cause of greater Canadian-American friendship and understanding.

This year, the Gold Medal was presented in recognition of the Canada-U.S. Air Quality Accord and its implications for controlling acid rain on both sides of the border. Minister Charest accepted the medal on behalf of the Prime Minister and the people of Canada.

We are all very proud of the honour bestowed on Canada, and I wish to thank the minister for including me in the official party at the presentation ceremony. As you are aware, Mr. Speaker, along with most members of the House, I have had a great interest in the acid rain issue.

[*Translation*]

BREAST IMPLANTS

Mr. Phillip Edmonston (Chambly): Mr. Speaker, thousands of Canadian women continue to suffer terrible side effects and horrible scars and their lives are endangered from breast implants, especially the Meme. The government still continues to refuse to act by claiming that anecdotal evidence is insufficient. However, about ten years ago, the government banned UFFI and paid millions of dollars to have it removed from homes on the basis of equally anecdotal evidence.

Does the government consider houses more important than women? Mr. Speaker, women and we men who share their lives and see their suffering demand the immediate withdrawal of the Meme implant and stricter control of the testing of all other breast implants on the market. Secondly, we want immediate concrete assistance for women with the Meme implant so that they can have it removed.

* * *

• (1410)

[*English*]

TRADE

Hon. Alan Redway (Don Valley East): Mr. Speaker, what would be the economic impact of Quebec's separation on the rest of Canada? It would certainly disrupt interprovincial trade, and because all of the provinces, with the exception of British Columbia, export significant amounts to Quebec, separation would undoubtedly necessitate the negotiation of a Canada–Quebec trade agreement.

In return for signing such an agreement, Quebec would likely want a say in the fiscal and monetary policies of the new Canada since they would impact on the repayment of Quebec's share of our national debt.

With the Quebec market gone, the United States might terminate not only the free trade agreement but the auto pact as well. The new Canada would definitely be out of the G–7. Its credit rating would go down and its borrowing costs would go up.

Who will pay the costs of separation? The average Canadian.

[*Translation*]

MILK PRODUCERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Canadian milk producers are rightly concerned. The Government of Canada has just ended another round of GATT negotiations and according to many people, it may be prepared to sacrifice Article XI of GATT that enables Canada to set farm product supply management policies.

Farmers have benefited from a quota system for over 20 years and milk producers in particular need such a system, without which their industry would be flooded with foreign overproduction, especially from the United States.

We in the Liberal Party still support our quota system. I call on the Conservative government opposite to also support supply management, this system that has served us so well for more than two decades.

* * *

[*English*]

FORESTRY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, earlier today the Minister of Forestry announced a $100 million six-year initiative entitled "Partners in Sustainable Development in Forestry". This program will support, within the productive force of Canada, the establishment of a network of large-scale exemplary model forests demonstrating the very best in comprehensive management practices.

As part of this plan the Government of Canada will accelerate and expand forestry research across the nation. For example, Forestry Canada Maritimes Region will take a lead role in the development of a national program for integrated insect management with special emphasis on the spruce budworm, the spruce budmoth and the white pine weevil.

Along with other scientific activities such as examining the potential impacts of climate change, this research will usher in a new era of forest science and technology in the maritime provinces of Canada.

The model forests will clearly represent the leading edge of Canada's commitment to sustainable development.

* * *

ISRAEL

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, in 1975 the United Nations General Assembly adopted Resolution 3379 declaring that Zionism is a form of racism.

Canada vigorously opposed that resolution then and we should certainly join in current efforts at the UN to repeal it today. At the same time, Canada must make it very clear to the Israeli government that UN Security Council resolutions on the Middle East, particularly 242 and 338, must be respected. Israel's ongoing violation of international law in the occupied territories including deportations, collective punishment, detentions and violence, and in particular illegal settlements must stop now.

Certainly Canada must extend no loan guarantees to Israel until these fundamental violations of international law and UN Security Council resolutions end. There will only be lasting peace when Arab countries end their state of war against Israel and when the legitimate rights of the Palestinian people to self-determination and statehood have finally been realized. The suffering has gone on far too long.

* * *

THE CONSTITUTION

Mr. John Reimer (Kitchener): Mr. Speaker, yesterday I was delighted to hear in the Canadian constitutional renewal proposal the government saying: "The charter of rights should be amended to guarantee property rights".

In May 1988 my private member's motion to add the words "and the enjoyment of property" to section 7 of the charter was adopted by a vote in the House of Commons.

Had Meech Lake passed, the Prime Minister in April 1987 assured Canadians that other constitutional issues such as property rights would be dealt with.

As a member of Parliament, I am pleased that a backbencher can sometimes succeed in bringing about major constitutional reform, first through a successful vote in the House and now through the Prime Minister who, true to his word, has included that same constitutional issue of property rights, for which I lobbied, in the Canadian proposal for constitutional renewal.

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FISHERY

Mr. Joe McGuire (Egmont): The lobster fishing industry in Prince Edward Island remains in a chaotic state because of the stubborn refusal of the Department of Fisheries and Oceans to rescind its decision on increased carapace size and to roll back the minimum size in all P.E.I. districts to the former 2.5 inch measure.

The situation concerning carapace size has reached the point of absurdity. P.E.I. has three different fishing zones and three different carapace sizes in effect. Fishermen who live across the road from one another may fish in two different zones and, as a result, not have equal opportunity to earn a living. Buyers in the eastern sector may end up with lobsters from two different zones and two different minimum sizes in the same truck.

What the government should do is roll back the increases already in effect in Districts 25 and 26A. Fishermen in District 25 suffered a decrease of over 25 per cent in the last two years. There is a market for small lobsters. There is no conservation problem. There is no reason to continue this policy.

I ask the minister to put an immediate freeze on all further scheduled increases, to study the disastrous effects the increases have already had and to listen to the voices of the fishermen and processors. If he does these things I am sure he will rescind his earlier decision—

Mr. Speaker: The hon. member's time has expired.

* * *

THE CONSTITUTION

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, it is a good beginning. The proposals tabled by the Prime Minister yesterday *Shaping Canada's Future Together* are precise where needed, open-ended where necessary.

Most English speaking Canadians readily recognize the distinctiveness of Quebec, with its unique language, culture and civil code. However, many of these same people balked at the Meech Lake notion of "distinct society", fearing the unknown. The proposed section 25.1 should dispel these fears by spelling out the meaning of the concept and its limitations.

The open-endedness of the proposals will be a boon to the new special joint committee. It will be up to them, for example, to design the new reformed Senate, based not only on the government's recommendations but on what Canadians tell them.

The provincial governments have now been heard from, and the government has recognized the realities of the amending formula. Political reality in autumn 1991 will not accept a region based approach, however desirable a piece of political science. Any change to section 41 requires unanimity, but all of the changes offered yesterday are achievable under the general formula of 7/50.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister.

Why will the Prime Minister not do the right thing and recognize the inherent right to self-government of the aboriginal people of Canada in the Constitution right now. Why wait 10 years?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I suppose it is a good thing that we are going quickly to the special joint committee so that these matters can be discussed there.

It is a legitimate question and an important one. As the Leader of the Opposition from his long experience in Indian Affairs will know, the proposal in this document is a very substantial step forward toward the entrenchment in the Constitution of a general right of self-government for the aboriginal people. The 10 year period that is set out is a period that allows for negotiations based upon a certainty among the aboriginal people of their constitutional rights. As the Leader of the Opposition will know, in effect, for those people who conclude negotiations, that constitutional right vests earlier because we are prepared to entrench negotiations that are achieved. I think it is a sensible, reasonable position.

What we are seeking in these proposals is something that will find acceptance across the country. I believe this will, but naturally that and other matters are capable of being discussed in the special joint committee that will hold its first meeting later this day.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the minister. Why does he not do exactly what was done in 1981? After a long debate there were a lot of lawyers around town telling us we could not do what we did; but we did it. It was done in committee by the three parties in this House of Commons. The same argument was made; we had to wait some years to be able to do this, and the House of Commons decided to do it at that time. Why don't we do the same thing with self-government?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, first of all I am very pleased that the Leader of the Opposition, on behalf of his party, is endorsing here on the floor of the House the concept of self-government. Certainly that will help us in the deliberations that we undertake.

• (1420)

Our problem with this issue is not a problem with lawyers. Sure, there are too many of them around town.

Some hon. members: Oh, oh.

Mr. Speaker: The right hon. minister.

Mr. Clark (Yellowhead): Mr. Speaker, Maureen is in Halifax.

Our problem, Sir, is to find a proposal that can find general acceptance across the country and that will establish the best circumstances in which we can move forward toward a system of justice for our aboriginal people, status people and others.

As the Leader of the Opposition knows, this government has already taken historic action this summer with the establishment of a royal commission which will deal with some of the issues.

Constitutional issues are urgent. We believe that there is a chance to take a very large step forward toward entrenching a right to self-government, and we hope we

will have the support of the Parliament of Canada in doing that.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, still on the subject of the Constitution, I have a question for the Prime Minister. Why did the proposals tabled yesterday take such a timid approach to economic union, when three provinces, and perhaps the majority of Canada's population, will be allowed to opt out, and when in the Allaire report, the Quebec Liberal Party supported the following proposal, and I quote: "Canadian legislatures must drop all restrictions on the free circulation of persons, goods and capital." Why not do in Canada what has already been done in Europe?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the proposal concerning sections 121 and 91 is basically a response to requests by Mr. Parizeau, Mr. Bourassa, the Quebec Liberal Party and everyone who wants a stronger and tighter economic union in this country. That is exactly what we are suggesting. Our proposals reflect the traditional claims of a number of interested parties, including the leading players in Quebec. The new powers proposed under section 91 would allow the federal government to make laws for the efficient functioning of the economic union. However, this new power is not unlimited, being subject to approval by 7/50, with an opting out provision for Quebec, for instance.

So the nonsense we heard last night on television from people who said this power would savage Quebec is just not true, and Canadians and Quebecers know it isn't true.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Prime Minister. The vast majority of Canadians and Quebecers are in favour of economic union. However, if we are going to get anywhere in this debate, we must first lay a number of fears to rest. Obviously, economic union does not and should not affect our major economic development institutions: *La Caisse de dépôt et placement*, the *Caisses populaires* and the Heritage Fund. Does the Prime Minister agree with this position?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree entirely with what my hon. friend has just said. In any case, the objectives of economic union are quite clear. They are: to enhance productivity in Canada, to improve our competitive position and to make our country more prosperous. According to the MacDonald Commission and the Canadian Manufacturers' Association, one of the benefits of economic union would be an annual savings of $1,500 for every Canadian family with two children. I think we can say that for the average Canadian, this is indeed a vast improvement.

Our main objective in this respect is to achieve economic union, something, as I said earlier, Mr. Parizeau and Mr. Bourassa have always wanted and something General de Gaulle always wanted for Europe, a Europe that will be integrated in 1992. In Europe it all started with the Treaty of Rome, and then it was General de Gaulle. I always thought if it was good enough for General de Gaulle, it is good enough for me.

Mr. Paul Martin (LaSalle—Émard): I remember General de Gaulle, and I am not so sure about that, Mr. Prime Minister!

[*English*]

I have a supplementary question for the Minister responsible for Constitutional Affairs.

In the constitutional project the government has proposed that property rights be enshrined, that the residual powers be transferred to the provinces, and that mining and forestry be withdrawn from the federal ambit. These are very controversial proposals and they are going to engender a great deal of debate. Regrettably, however, that is for another day.

My question is quite specific. Will the minister assure this House that there is nothing in any one of these proposals that will in any way, shape or form inhibit the federal government's authority either to enact or enforce strong, national, environmental legislation?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, perhaps I may give those assurances to the hon. member on behalf of my hon. friend. In any case, a new low in political commentary was reached last night when Canadians and Quebecers were told that constitutional reform was a threat to the *Caisse de dépôt*, the *Caisse populaire*, and Hydro-Québec. Why not the Nordiques and Michel Louvain? This is insane! It is ludicrous. Quebecers are smarter than that. They know perfectly well that these constitutional proposals are intended to strengthen Canadian unity and to strengthen our eco-

nomic union, and thus improve the economic well-being of every family in Quebec.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

In the constitutional package the government proposes to turn over residual powers to the provinces. This could mean, of course, that in future if an area is not labelled in federal jurisdiction it would be turned over to the provinces.

The environment is not specifically under federal jurisdiction in the Constitution, which would by implication mean that jurisdiction could completely be turned over to the provinces.

I want to ask the Prime Minister: Is it this government's intention to abandon federal responsibility for the environment?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, as the Prime Minister indicated in an answer just a moment ago, it is certainly not our intention to do that.

I would remind the Leader of the New Democratic Party that such actions as the Government of Canada has had to take regarding residual power, regarding the peace, order and good government clause, has been done under the national and the emergencies portions of that clause. It is a portion which, if she reads the document, she will see the Government of Canada intends to retain for itself.

I would also remind her of the suggestion by this government of the inclusion in the preamble to the Constitution of references to sustainable development, making it clear not only that environment is an issue of interest to us all but that a sustainable, respected environment is considered by this government to be a fundamental value of the country.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the minister.

Clearly, I think, all Canadians would agree that concern for our environment must be a concern of all Canadians, but the government does propose in its constitutional reforms to turn over such areas as forestry and mining to the provinces. It may also turn over such things that are mentioned in legislative areas such as wildlife, conservation protection, transportation of dangerous goods, and soil and water conservation. All of these areas are environmental areas. Obviously they affect all provinces and territories of this country and there must be some kind of federal overview.

I want to ask the minister: Will his government commit today to supporting a clear statement in the Constitution that the federal government has jurisdiction over the environment?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, this government's concern for the environment is very clear in the references to which I referred earlier. If we were going to propose moving the environment, we would have done so. We did not propose it because we do not intend to do that. We believe it is a field in which existing federal jurisdictions must be respected and must be maintained.

• (1430)

If the Leader of the New Democratic Party wants to propose a change that would weaken the federal power over the environment then she is free to do that in the committee, but it is not our intention to do that.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the minister.

Obviously, the environment does not respect boundaries. Canadians must have a right to clean air and clean water. My question for the minister is: Can he quite simply guarantee Canadians these rights to a clean environment through a social charter?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, for the first time, it is proposed to entrench environmental concerns in the Constitution. That is part of our proposal.

The Leader of the New Democratic Party talks about rights. As she knows, the word "right" has some implica-

tions. I can clearly indicate our government's determination to keep and respect existing federal jurisdiction over the environment.

[*English*]

Mr. Jack Iyerak Anawak (Nunatsiaq):

[*Editor's Note: Member spoke in Inuktitut.*]

Mr. Speaker, my question is for the right hon. Minister responsible for Constitutional Affairs. Aboriginal people and northerners are disappointed with the government's constitutional proposal. The constitutional aspirations of northerners are put off indefinitely. In the government's proposal, aboriginal people are asked to wait 10 years while their right to self-government is defined.

Why has the government put the north and aboriginal people on the constitutional back burner?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I regret that I do not have the hon. member's skill in Inuktitut. In fact, some of the things they say about me in that language are certainly hard to translate in a favourable way.

Two serious points are raised by the hon. member. With regard to the territories and the question of evolution of government, we have made it clear that we would grandfather arrangements to allow existing territories to move to provincial status on the basis of 7/50. I know that is not what would be the first preference of people in the territories. As became clear in discussions I had with the heads of government of the two territories earlier this week, that is regarded as better than the existing situation.

With regard to native people and the historic step that we are proposing to recognize and entrench in the Constitution, their general right to self-government—

An hon. member: It already exists.

Mr. Clark (Yellowhead): The hon. member is incorrect. It is not something that already exists. This is a substantial change in the constitutional proposals of the country that we believe can be made acceptable across the country. We would certainly propose to begin immediately discussions on that basis, and we would certainly propose to entrench immediately negotiations of self-government arrangements that were made.

I think the hon. member would share my view that it would be wrong for us now to try to define a particular regime of self-government, given the diversity of cultures, traditions and situations of aboriginal people across the country.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I have a supplementary question for the same minister. I congratulate the minister on a speech he made to the Queen's University Alma Mater Society in Kingston.

Yesterday's constitutional proposal again asks aboriginal people to wait for 10 years while their right to self-government is described. In a speech on September 9, I point out, the minister responsible said that defining the exact meaning of self-government would be unwise and impractical because it would not allow for growth and recognition of differences. All we are saying is: Recognize the inherent right to self-government.

How does the minister reconcile his earlier statements with the limitations put on self-government's definition in yesterday's proposal?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, the issue here is whether we are prepared to entrench a general right or a right that is called an inherent right.

The Government of Ontario, acting within its own jurisdiction, has opted for an inherent right. I said at the time that the Government of Ontario was a little ahead of the rest of us on that issue and that I expected it would probably stay there on that particular issue.

Nonetheless, what we are proposing is a very substantial change in the *status quo*, a very substantial move toward recognizing both the history of the first peoples of this country and the current reality in Canada. I think it will be regarded generally as something that is not only a major step forward as a proposal but also is a proposal that has a reasonable prospect of being accepted.

What we are trying to do in these matters is be pragmatic and find things that we can get accepted so we do not just talk about change, we achieve change. This is a change which together we can achieve.

TAXATION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister responsible for Constitutional Affairs.

It was reported earlier this week that the federal government intends to agree that the nine provinces that do not already do so can collect their own personal income taxes directly from individual taxpayers.

Is this true? If so, why does the government want to create an additional burden of paperwork and cost and an additional burden of taxation for individual taxpayers in most parts of this country?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, on June 24, I think the hon. member will remember that a discussion paper was released for the purpose of soliciting opinions on whether provincial requests for greater flexibility over their personal income tax collection could be accommodated within the tax act.

We are receiving those views at the present time, and we would be very pleased to receive a brief from the hon. member.

Hon. Herb Gray (Windsor West): Mr. Speaker, can the minister tell this House the additional cost of the paperwork and administration if the nine provinces that do not already do so begin collecting their own income taxes directly from individuals in the country?

If he cannot tell us that figure, why is he launching down this course of additional burden for taxpayers already overburdened by the taxes imposed on them by this government?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, of course I am sure that is one of the factors that will be taken into consideration.

If we take a look at the goods and services tax where we tried to have a national tax, one tax, one collection system right across this country, harmonizing that system, and if the hon. member agrees that the income tax collection system by the federal government on behalf of provinces saves paperwork, then I am sure he will support a national sales tax system.

* * *

AGRICULTURE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the right hon. Prime Minister.

Earlier today in Ottawa, the prairie wheat pools made another request for a $1 billion cash payment to prairie farmers.

In view of the fact that the average farm income for prairie farmers this year per family is much less than the previous five-year average, I want to know on behalf of the farmers on the prairies of this country whether or not the Prime Minister will now accede to that wish and make sure there is $1 billion payment to prairie farmers some time this fall.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I had a chance yesterday to meet with the prairie pools. We have had a chance over the last number of weeks to attend farmers' rallies where a lot of concern is expressed about the financial problems that farmers face. We all know that they are facing some extremely difficult times. This government has been with our farmers in the past and has been letting them know that it intends to do everything it can to support them in the future.

• (1440)

There is more to it than just financial support. We have to do everything we can at the international level, which we are doing. The Prime Minister is taking a lead in this to try to resolve the very debilitating trade war that is putting our farmers in such an unfair position.

Mr. Lorne Nystrom (Yorkton—Melville): I specifically asked, Mr. Speaker, whether or not there would be a $1 billion pay-out to the farmers some time this fall. I asked that in view of the fact that the average income of family farmers in the prairies, even with the aid that is already there, is less than $6,500 a year.

I would like to direct my supplementary to the Prime Minister, if I may. If there is no pay-out to the farmers this fall of $1 billion, can he explain to the House why it is the policy of the Government of Canada to make sure

that the farm income on the prairies is about one-quarter of the national poverty rate?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, we had an opposition day in the House last Thursday and we had a very good discussion. It was basically a non-partisan approach to the problem. We all recognize that the problem is there. If you look at the track record of this government, it has been very substantial in supporting agriculture through a very difficult time.

We have absolutely no intention of abandoning our farmers in a problem which they are not making themselves. We have just harvested one of the best crops on record with very high quality. Food is in demand around the world. We intend to see that our farmers get through this so that they can take advantage of better prices when things turn around.

I say again what I have been saying to farmers, and I was at both rallies in Manitoba with some very frustrated and concerned farmers, as well as business people who rely on farmers. We intend to do everything we can to support our farmers to get them through this very difficult situation.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the Prime Minister. The Prime Minister knows that the prairie wheat pools have been asking for $1 billion in emergency assistance to farmers to cover the losses in the 1990 crop year. The Prime Minister knows that the situation on the farm is critical. The Prime Minister should also realize that the government's efforts to help so far have fallen short of the mark. In fact, one of his own colleagues, the member for Brandon—Souris, has said on the public record and I quote: "Government efforts to support farmers have not been good enough".

When will the Prime Minister announce emergency assistance to farmers?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Without repeating what I said in reply to the previous two questions, Mr. Speaker, we have a process in place to deal with some of these problems.

The member will know that we had a major meeting in Winnipeg about a month ago. There is a meeting again next week to deal with this so-called third line of defence. We have yet to hear the recommendations of that committee.

We understand the problem. I believe very much that we understand the problem. I say again, we are going to do the very best we can to address a problem that needs to be addressed because the farmers are not putting themselves in the kind of situation they are in.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a supplementary question. The minister knows that mass rallies are springing up right across the country: Lucknow, Ontario, Miami and Russel, Manitoba. There are others planned across the prairies. Farmers are rallying to protest because the government has not provided the emergency transitional assistance which it promised last spring when the farm safety network system was being put in place, and because they face the worst financial crisis in a generation.

Since the minister has attended some of these rallies, I ask him how many more farmers have to rally the way they have in these communities? How many more have to lose their farms? How many farmers' families have to be destroyed before this government will act?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): The hon. member does not need to get rhetorical and get emotional to make the point.

Some hon. members: Oh, oh.

Mr. Mayer: Mr. Speaker, to listen to the hon. member, you would think that the whole problem is the result of this government's policies. Let me point out that there has been a substantial amount of support in the past for this industry.

I happened to attend both rallies that the member is talking about. There is another major one planned for Saskatchewan in Rosetown on Monday. Our members will be there in support of the agriculture industry. To say it again, we are waiting to see what is going to come out of the third line of defence meeting next week in Winnipeg and see what the farmers themselves have to say.

In the meantime, the member should know what we have said, which is that we are going to do the very best we can to support our farmers to get them through this very difficult period.

* * *

INTERNATIONAL NICKEL COMPANY

Mrs. Diane Marleau (Sudbury): Mr. Speaker, International Nickel Company of Canada announced yesterday the elimination of 600 jobs in Sudbury. This government's high dollar and high interest policy savages an industry already facing other difficulties. I ask the Prime Minister: will he instruct his finance minister to put an end to this government's disastrous economic and fiscal policies.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the hon. member is very much aware that the International Nickel Company sells nickel all around the world and the reduction in orders it has had is a result of a world-wide effect in the nickel market primarily related to difficulties in the automotive industry.

I am not happy at all when I see 600 people being laid off there, but I have to recognize that it is not just a problem in Canada, it is an international problem. We in Canada have to understand how we can help those people who are being laid off and that will be done as a result of the policies that are already in place from this government.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, originally the announcement two months ago was for 200 jobs. On September 9, they announced it would increase the number to 400 jobs. And today it has been increased to 600 jobs. Meanwhile, the value of the dollar has kept on increasing.

The people of Sudbury, the people of Canada, ask when will it end. When will the Prime Minister and his government listen to Canadians, stop the de-industrialization of our country and bring forward new economic policies?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I repeat my point that Government of Canada policies cannot do much about the world-wide glut of nickel that is in place in the United States and other countries of the world. That is not something we can control.

My hon. friend referred to some aspects of government policy. We have seen interest rates in this country fall about 5.5 percentage points since May of last year, at the peak. We have seen a narrowing in the spreads between interest rates in Canada and the United States. This is designed to help the economic recovery that is under way now, as my hon. friend is very much aware. We have seen an improvement in economic performance in the second quarter of this year by 5 per cent in annual terms. So we are getting back on track again. The policies we will be implementing in the future will reinforce that process.

* * *

IRAQ

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is to the Prime Minister. Earlier this year the UN Under-Secretary General described conditions in post-war Iraq as near apocalyptic and found that Iraqi children had stopped growing, due to lack of food.

A Harvard medical team said that over 55,000 children under five had died because of poor diet, sanitary conditions and lack of medical care.

My question to the Prime Minister is this: What concrete urgent action is our government taking as a war-time coalition partner to assist dying children in Iraq, and to ensure particularly at this time, that Canadian wheat sales to Iraq resume now.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the government is, of course, very concerned about the loss of life anywhere. Through humanitarian agencies under the auspices of the United Nations, Canada has made what we believe are significant contributions to be of assistance.

I think the greatest thing that could happen on behalf of the children of Iraq, and on behalf of the people of Iraq, would be if Saddam Hussein stopped acting like an international outlaw and conducted himself in such a way as to return to the international community. Then, and only then, will all of the people of Iraq find the peace and the prosperity to which they are entitled.

• (1450)

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, surely innocent children in Iraq should not be the victims of that kind of mad policy.

My supplementary question is for the Prime Minister. Last September the Prime Minister co-chaired the World Summit for Children. That summit issued a declaration which stated that the essential needs of children and families must be protected, even in times of war and in violence-ridden areas.

In view of the fact that the Harvard study team to which I referred previously has estimated that 170,000 children under the age of five years will die as a result of the delayed effects of this war in the gulf, I want again to ask the Prime Minister what steps is Canada taking now to assist these children to avoid death, starvation, and devastating medical conditions. What are we doing to help the children?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, although some 34th in population I believe, Canada's contributions to the United Nations and all of her associated funds, including UNICEF, ranks us with the top four or five in the world.

Our contributions to UNICEF and our leadership on behalf of children is, I think, generally acknowledged to be very significant. One of the great tragedies is that there are some 40,000 children who die each day in the developing countries of Africa and throughout the developing world for want of an investment of $5 per child.

Canada has provided, I think, quite substantial leadership and we are in the process of doing more to assist children throughout the world. It is an enormous tragedy when an innocent child dies for want of food or because of conditions created by its government.

We are working through the United Nations, the Security Council, and all of the agencies of the United Nations. We have done a lot and we are ready to do much more to assist children in developing countries and, indeed, in Iraq obviously.

But principally the problem of the children in Iraq comes from the leader of Iraq. If he wanted to correct many of these problems, he could do so immediately by conducting himself in a civilized way, by ceasing to act as an international outlaw and by returning to the family of nations.

* * *

[*Translation*]

THE CONSTITUTION

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is for the Prime Minister. The document on constitutional reform tabled yesterday proposes, and I quote: "To provide the Parliament of Canada with a new power to make laws for the efficient functioning of the economic union of Canada."

Yet, the government is claiming today, as it did yesterday, that it has no intention of interfering with the operation of basic financial institutions in Quebec such as the Deposit and investment Fund or the Desjardins Movement. Besides the good intentions, is the Prime Minister not forced to recognize that the extremely vague wording of this proposal actually provides such power to the Parliament of Canada and could therefore put Quebec in the unbearable situation of having to use the notwithstanding clause?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member only read the first paragraph. He failed to read the next two, which state, and I quote: "Federal legislation under this new power could not be enacted without the approval of at least two thirds of the provinces representing 50 per cent of the population."

An hon. member: Like in 1982!

Mr. Mulroney: Well, there is yet another article. There are three in all. The third one states that if Quebec for instance did not support the legislation, it could opt out altogether.

Hon. Lucien Bouchard (Lac-Saint-Jean): There you go, Mr. Speaker, the truth is out. The Parliament of Canada—and correct me if I am wrong—would then have the power to pass legislation that would cripple Quebec financial institutions and force the Quebec government to manage its economy through notwithstanding clauses all the time. Mr. Speaker, I want to tell the Prime Minister that, as he is no doubt aware, ministers come and go and governments come and go, and that a Liberal government in this House tried and pass Bill S-31, which would have had that very effect.

How can we be sure today that there will never be across this room a government that will use these powers for that purpose?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I do not want to use these words, but I have to. What the hon. member has just said is totally dishonest!

An hon. member: Hear, hear!

[*English*]

Mr. Speaker: I am sure the right hon. minister knows that his reply exceeded the bounds. I would ask him to withdraw and continue his reply.

[*Translation*]

Mr. Clark (Yellowhead): Mr. Speaker, if my choice of words was unparliamentary, naturally I will follow the rules. But I must point out that the behaviour of the hon. member who is afraid to face facts and is attempting to deceive the people of Quebec, that too is inadmissible in a democracy such as ours.

* * *

[*English*]

INDIAN AFFAIRS

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development.

Recently an historic agreement to settle outstanding land claims was reached by the federal government and the Government of Saskatchewan. Mr. Ovide Mercredi, the National Chief of the Assembly of First Nations, was reported in the media as saying that this agreement should not be construed as a solution for other provinces.

This causes me some great concern. Is it wrong to assume that this agreement could not at least be considered a basis for future federal-provincial agreements?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Regina—Wascana has asked a very important question about the extent of this government's commitment to honour our historic treaty obligations.

I want to tell members of the House how proud we were to be able to sign an historic treaty land entitlement agreement with the province and the premier of Saskatchewan, the Hon. Grant Devine, a week and a half ago, which will bring a doubling of the land base to some 27 treaty land entitlement bands in Saskatchewan by an additional 1.5 million acres and $481 million toward that settlement.

This is an honourable settlement which was highly commended by the National Chief of the Assembly of First Nations when he present on that occasion.

* * *

HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, the government would have Canadians believe that the recession is over and a recovery is well under way. Well, Canadians are not buying it. In fact, the Canadian homebuilding industry does not believe it and thinks nothing is further from the truth.

Mr. Gary Reardon, president of CHBA, says that the industry is only working at 60 per cent and thousands of construction workers are still waiting for this government's recovery.

My question is to the minister responsible for housing. Will the minister finally implement the 5 per cent down payment plan for first-time homebuyers that will allow thousands to purchase their first home and thousands to return to work?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I think the member realizes, because he has been involved in many of the discussions we have had in this place and in others, that there are many ways that we can try to assist those people trying to get into the housing market.

Those proposals are being considered but to date there has been no decision made. We will advise the member when we do make that decision.

• (1500)

Mr. Joe Fontana (London East): Mr. Speaker, this government sat on the proposal for over a year. This proposal has proven its worth in the past and it will not cost taxpayers any money.

I want to ask the government again: When will it take its head out of the sand and do something for the home building industry in this country and for home buyers who are waiting to buy their first homes?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the mortgage rates today are at the lowest they have been in six or seven years. That is the best way we can help people to buy homes. Every time interest rates drop one percentage point, thousands of Canadians become eligible to put their down payments to buy homes.

Interest rates have dropped 5.5 per cent in the last year and that is the most important thing we can do for the home building industry.

* * *

ATLANTIC MARINE INDUSTRY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Transport. It concerns a report from his own department which recommends a user fee be charged to all vessels visiting Atlantic Canadian ports for navigational aid use.

Quite simply, this is just yet another tax which will further cripple the competitiveness of the Atlantic marine industry.

My question is: Will the minister guarantee in this House today that he will under no circumstances implement this new tax on the marine industry in Atlantic Canada?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, as the member knows, a user fee policy was introduced and put to consultation by the transportation department last year. After receiving all the input of the different stakeholders in that industry, we are at the present time reconsidering the situation and will make our final proposal known pretty soon.

* * *

HEALTH

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I am going to surprise many colleagues in the House by directing my question to the Minister of National Health and Welfare and complimenting him and the CBC for the tremendous review and introspection they did of his mitosis on Monday night's *The Journal* from whatever it is.

Some hon. members: Hear, hear.

Mr. Nowlan: I know the problems. Quite frankly, I used to sit in the same caucus with the hon. member. Frankly he and I have not shared some views and I thought he was very personal when I had my problem on the Meech Lake thing.

My question is on the proposals laid before the House by the Prime Minister yesterday. Quite frankly, the house of federation I find tremendously confusing. But would he give us an assurance that regardless of whatever comes out of the proposals, but especially because of the proposals, that the uniform medicare system of medical treatment to Canadians, which I think is one of our fundamental prerogatives or rights, will stay intact?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am happy to join my hon. friend in congratulating the minister not only for an excellent appearance, but also for the assurance that he has given in respect of medicare which will remain a strong and important dimension of Canadian national unity.

I would like to give him more assurances in other areas, but I will only be able to do that when the CBC does a similar flattering profile on me.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of a Tanzanian Presidential Commission and Mr. Pius Msekwa, Vice-Speaker of the Tanzania Parliament.

Some hon. members: Hear, hear.

Mr. Speaker: I wish also to draw to members' attention the presence in the gallery of members of a subcommittee of the Defence and Security Committee of the North Atlantic Assembly, Mr. Anders Sjaastad, member of the Norwegian Parliament, and Mr. Hans Haekkerup, member of the Danish Parliament.

Some hon. members: Hear, hear.

[*Translation*]

POINT OF ORDER

COMMENTS BY THE PRESIDENT OF THE QUEEN'S PRIVY COUNCIL FOR CANADA AND MINISTER RESPONSIBLE FOR CONSTITUTIONAL AFFAIRS

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I was shocked to hear the hon. member from Alberta use the term "dishonest" when speaking to one of our colleagues in this House, the hon. member for Lac-Saint-Jean.

Mr. Speaker: One moment, please. The minister withdrew what he said, so the incident is closed. Does the hon. member have another point of order?

Mr. Plamondon: I have a comment for the Chair. The minister said that he would conform to the Standing Orders but he did not withdraw the term "dishonest". I would ask him to do that.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, if the inference was not sufficiently clear to the hon. member, I will act in accordance with the Standing Orders and withdraw. Thank you.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORTATION SAFETY BOARD OF CANADA

TABLING OF ANNUAL REPORT

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Madam Speaker, on behalf of the Right Hon. Joe Clark, President of the Privy Council, I wish to take this opportunity to table in the House today the annual report to Parliament of the Transportation Safety Board of Canada, and the annual reports on the administration of the Access to Information Act and the Privacy Act, for the year ending March 31, 1991.

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

Routine Proceedings

PETITIONS

GOVERNMENT RESPONSE

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

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

* * *

• (1510)

[*English*]

THE ENVIRONMENT

GOVERNMENT RESPONSE TO COMMITTEE REPORT

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Madam Speaker, pursuant to Standing Order 109, I have the honour to table, in both official languages, the government's response to the report of the Standing Committee on the Environment entitled *Out of Balance—The Risks of Irreversible Climate Change*.

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[*Translation*]

HOUSE MANAGEMENT

TABLING AND ADOPTION OF SEVENTH REPORT OF STANDING COMMITEE

Mr. Charles Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Madam Speaker, I have the honour to table the seventh report of the Standing Committee on House Management. With leave of the House, I would like to move for concurrence now.

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

Motion agreed to.

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INDUSTRY, SCIENCE AND TECHNOLOGY, REGIONAL AND NORTHERN DEVELOPMENT

AUTHORITY TO TRAVEL

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry) moved:

That three members and one researcher from the Standing Committee on Industry, Science and Technology, Regional and Northern Development be authorized to travel to Victoria, British

Columbia, from Saturday, September 28 to Wednesday, October 2, 1991 in order to attend the National Forum of Science and Technology Advisory Boards.

Madam Deputy Speaker: Does the House give the hon. parliamentary secretary unanimous consent to move his motion?

Some hon. members: Agreed.

Madam Deputy Speaker: The House has heard the statement of the motion. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*English*]

SCRUTINY OF REGULATIONS

CONCURRENCE IN FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, in accordance with the notice of motion that has been filed, I would like to move that the first report of the Standing Joint Committee for the Scrutiny of Regulations, presented to this House on Monday, June 17, be concurred in.

Motion agreed to.

* * *

PETITIONS

AGRICULTURE

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have a petition signed by a number of people which under Standing Order 36 I would like to table in the House.

These Canadians are praying and calling upon Parliament to assist the grains and oilseed producers who are experiencing a terrible cash shortfall this year. They are urging the government, as my colleague from Algoma did earlier today, to provide assistance in these very difficult times.

NATIONAL FILM BOARD

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I have a petition signed by constituents from the Ottawa-Carleton region.

The petitioners are requesting that the film *The Burning Times* be withdrawn from circulation and that the National Film Board publicly apologize to Catholics.

It is their view that the presentation is historically inaccurate and that commentary is entirely biased against and hostile to the Catholic Church. In their view the film attempts to foster hatred and misunderstanding of the Catholic religion.

CANADIAN BROADCASTING CORPORATION

Mr. Derek Blackburn (Brant): Madam Speaker, I rise under the provisions of Standing Order 36 to present a petition signed by several persons from southwestern Ontario.

First they petition Parliament to urge the government to consider restoring proper funding to the CBC so that it can fulfil its mandate and its role as the heartbeat of Canada and, second, to re-examine this government's priorities in terms of decreased funding for Canadian institutions and this government's insistence on privatization.

EDUCATION

Mr. Sergio Marchi (York West): Madam Speaker, I am pleased to present a petition signed by Canadians.

Given the fact that we must become more internationally competitive, given the fact that we need a professional and skilled labour force, and given that there is a shocking 38 per cent rate of illiteracy across this great country, these petitioners are calling upon the government to begin with its provincial counterparts to begin to put together some semblance of national standards with regard to our young people in their pursuit of education and careers in this country.

AGRICULTURE

Mrs. Christine Stewart (Northumberland): Madam Speaker, pursuant to Standing Order 36, it is my pleasure to present a petition to the House today which requests this government to address the very critical issue surrounding the problems faced by grain and oilseed producers in this country who do not have the cash to carry through this fall, let alone think to next spring. The petitioners humbly pray and call upon Parliament to urge the government to provide assistance as proposed by the House of Commons Standing Committee on Agriculture on August 29, 1991.

Mr. Jerry Pickard (Essex—Kent): Madam Speaker, I too am presenting a petition from the farming community. They have had a disastrous year of extremely low prices and are having great difficulty in attempting to recoup their input costs. They are in disastrous trouble and are requesting the government to come forward with support this year.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, I suggest that all questions be allowed to stand.

Madam Deputy Speaker: Shall the questions stand?

Some hon. members: Agreed.

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MOTIONS FOR PAPERS

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, I ask that all notices of motion for the production of papers be allowed to stand.

Madam Deputy Speaker: Shall all notices of motion stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed from Tuesday, September 24, consideration of the motion of Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan, be read the second time and referred to Legislative Committee F; and the motion of Mr. Vincent (p. 2536).

Mr. George S. Rideout (Moncton): Madam Speaker, it is a pleasure to rise and speak on this particular bill and to bring to the attention of all citizens the devastating effects of this type of legislation and what it is going to mean to those people who are disadvantaged; the poor, the sick, the elderly and women in our communities.

I wish to bring to the attention of the House exactly what is taking place with this legislation. It is referred to affectionately, or not affectionately, as the cap on CAP. The second CAP stands for the Canada Assistance Plan and we all know what it does for those people who are disadvantaged.

It is ironic that someone from a have not province in Atlantic Canada is be up speaking and urging the government to reconsider this legislation, as it is going to affect what we call the have provinces of Ontario, Alberta and British Columbia. In looking at all the social programs in Canada, I think this is the thin edge of the wedge. While it may be affecting the rich provinces, and some will say they are best able to afford this situation, I am not sure that everyone realizes that over a five-year period a little over $2 billion in federal transfer payments will be stopped. That will have an adverse affect on these provinces.

The plan was created with a positive foundation of helping everyone, and to help each area of the country, with the federal government contributing 50 per cent of the cost. There was no ceiling on the amount of contributions because there is no ceiling on the adverse effects of a bad economy. We have seen that in the last couple of years with the adverse effects of the recession, the government's high dollar policy, high interest rate policy, and all of those things have transcended all provincial boundaries. Yet the disadvantaged need help. They need the resources of CAP.

The CAP funding went to single parent families, mentally and physically disabled persons, the aged, children in care and those in need of protection from abuse or neglect, the unemployed, families and individuals in crisis, low income workers and battered women. These are just some of the different groups in our society which have been adversely affected by the recession and which are in need of assistance. Now there is going to be a cap on that assistance.

The other thing which a lot of people forget and I think it is worth while to point out is that over half of Canada's poor live in these rich provinces. They are going to be adversely affected. We have seen what has happened in Ontario, with the Ontario government, rightly or wrongly, having to go into massive deficit financing. We know for sure that those people just enumerated are not going to receive the help and the assistance they really deserve because even our rich

provinces are not in a position to provide that type of support.

• (1520)

Another interesting fact, and a shocking one, is that children make up the largest group of those who rely on welfare. My information is that they make up approximately 37 per cent of the total. That is a shocking figure. The aim of this legislation is to adversely affect those people. To adversely affect children, in my humble opinion, and I am sure you will agree, Madam Speaker, if not anything else, is morally wrong.

Additionally, to give some of the facts and figures associated with this particular problem, spending in these areas has increased more than what the cap is going to be, so there will be a shortfall. On average across the country, it is at 7 per cent. Over the last couple of years, Ontario has seen an increase of 15 per cent, and the federal government's cap is at 5 per cent, all of which is totally unacceptable in my view.

There are some interesting facts as they relate to provinces such as New Brunswick which is experiencing the cutbacks to those types of social programs in which federal government involvement is necessary. I quote from a recent newspaper clipping about health care and health care standards in New Brunswick where health and community services minister Ray Frenette made the following comments: "The federal government should not expect provinces to maintain high health care standards if they aren't willing to help pay for it".

Frenette went on to say: "The area most likely to be affected by restraint measures is New Brunswick's $1 billion health care budget. Federal funding has been needed just to keep pace with the ever-escalating costs of medical care".

"Last year the McKenna government put restraints on doctors' use of medicare systems and scaled down hospital construction plans to save money. Frenette would not say what kind of restraints could be employed in 1991-1992 but said costs would far outstrip the level of funding available."

This is one province that is facing very serious problems in the area of health care standards and if we are attacking those standards, what is going to happen with the rest of the social safety net in existence in this country?

We all acknowledge that the Canada Assistance Plan is the largest single source of funding for social services in Canada. It accounts for approximately 38.5 per cent of provincial spending. If we put on a cap that is less than what is actually needed, then the shortfall has to come from somewhere. It is going to be transmitted all the way down the system so that if the federal government opts out or cuts back, then provinces will have to pick up the slack. If provinces cannot pick up that slack, it will be handed on to the municipalities.

I know the situation is different in New Brunswick and municipalities are not responsible for social programs, but in other provinces municipalities are responsible. I know for a fact that municipalities in Ontario are facing very serious problems as a result of the social responsibilities being sent down the line. The municipality is the one level of government which is least capable of affording the increased cost but now they will face the largest burden as a result.

I would like to leave the House with the comments contained in an article by Ronald Melchers in *Perception*: "In abrogating its commitment to contribute equally with the provinces to the alleviation and prevention of poverty, the federal government is abrogating the sacred trust of Canada's social programs. CAP is the fundamental and minimum element of Canada's social safety net. Beyond the minimum subsistence it provides there is only the dependency of charity. With the Canada Assistance Plan Act in 1966, Canada joined the advanced nations of the world by accepting the essential responsibility of government for the subsistence of its citizens. With Bill C-69, and an extension of that, Bill C-32, Canada would take a great leap backwards."

There is no question in my mind that we are taking a great leap backwards by proceeding in this fashion with this legislation. We must maintain the social safety nets that bind this country together. It is one of the major threads that makes all of us Canadians, that holds us all together. We cannot end up with a two-tiered social safety net and we cannot end up with a two-tiered medicare system. We must put into place sufficient funding so that all Canadians from sea to sea to sea are treated equally. This legislation will do just the opposite. It is a reprehensible piece of the legislation and the

government should reconsider their ill-advised scheme of capping the Canada Assistance Plan.

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, I am very pleased to have this short period of time to address this particular piece of legislation, sometimes referred to as the cap on CAP.

This bill originally emanated from a desire on the part of the government to place some controls on federal spending. Taken by itself, I do not see that as a bad thing. We in this House realize that the federal government has been spending a lot more than it has been collecting in taxes. Notwithstanding that the taxpayer has been screaming "ouch" for quite a while, we still do not have enough tax revenue to cover the kind of expenditures we are being called upon as a nation to dispense.

So from the simple perspective of fiscal management, any initiative to regulate spending is welcome.

The principal problem we have here in opposition with this piece of legislation is that this fiscal management initiative, or so it is addressed and described, is blind. It is blind to the poor. It is blind to the provincial administrators who take the federal money and dispense it to the various provincial mechanisms. It is blind to the realities out there on main street Canada this year.

The reason why it is blind is because the funding that we dispense federally is not placed directly into the hands of the recipient it is intended to assist. These expenditures are set aside and used for welfare and social assistance costs right across the country. Therefore, when we in the House of Commons approve this kind of spending, we know that those dollars are going to virtually end up in every part of this country.

When we entered into the agreement to share fifty-fifty with the provinces in that spending, I think it fair to assume that we did not get out the measuring stick and try to calculate how much we were actually going to spend year after year. We simply agreed to share 50 per cent of whatever the provinces, through their own municipalities, decided should be spent in social assistance.

Perhaps that was an initial flaw when we addressed this. In any event we are in the present and the government feels that it must put a cap, a limit on what we do spend.

In my riding in Ontario, there have been two separate large macroeconomic issues that have occurred.

• (1530)

One is our made-in Canada recession which has swelled the numbers of individuals who really are in need of social assistance. When we talk about social assistance, we are usually talking about the basics of food and shelter. So the numbers of those who are truly in need in my province, and I am sure it is the case in many parts of the country, have grown.

Second, the number of refugees who have come to Canada over the last three, four, five years, has swelled the ranks of those who are in need. That is a problem that is particularly evident in the Toronto area, and I am sure it is a problem in other large municipalities where many refugees, at least on an interim basis, settle.

In the face of this large growth in the number of poor, in the number of needy who really do need the assistance, the government has taken this opportunity to say that we must artificially cap our spending at 5 per cent.

The 5 per cent figure does not face two structural realities, not the two historic facts I have just mentioned. It does not take account of the fact that when we put the cap in place, the raw numbers of poor may increase. I have already referred to the numbers of "poor" who have been harmed and on whose backs collectively we appear to be fighting inflation by means of our self-induced made-in-Canada recession. It is not their fault. That is how our Bank of Canada and this government decided to proceed last year.

Second, it does not take into account that the real costs to the poor for those basics of food and shelter may, in certain localities, increase to more than 5 per cent. The cost of shelter in Vancouver, Whitehorse, St. John's and Toronto may in fact—and it is not the fault of the poor nor the fault of this House necessarily, it is simply an economic fact— increase to more than 5 per cent.

In that way this legislation fails to face those realities faced by the poor. I accept that there are fiscal realities at the same time, but my caucus and I cannot accept that this fiscal tool, the 5 per cent cap is fairly applied. For that reason, we feel we have to oppose this legislation.

I would like to think that before the cap was put in place and before it was in force that the government here, which we oversee in this House, would recognize that a hungry child on street number one was just as hungry as the child in the next block. If in fact we are going to cut back on the money we are putting in to the system to provide the food and those basics, we must find another way to make sure that hungry child number two is treated as well as hungry child number one.

I think of the parable of the loaves and the fishes. It is fortunate that the good Lord did not have to work within a budget at that time. He did not. He had a couple of other fiscal tools at his disposal. Until and unless this bill, as hard as it is, as fiscally needed as it is, can take account of those very real Canadian poor realities, Madam Speaker, we cannot support it.

Mr. John Brewin (Victoria): Madam Speaker, I rise to oppose this bill as strongly and as forcefully as I can. Bill C-32 is a bad piece of legislation and the government should withdraw it and start over. This bill extends for a further three years the cap on social assistance payments by the federal government to the provinces in three provinces; Ontario, Alberta and British Columbia. It will have a devastating impact on millions of Canadians. It is important to underline what this bill reveals about this government and its priorities as it tackles the issues before this country.

Listen to what CAP serves. Listen to what social programs are served that are now being held down under this legislation. The Canada Assistance Program, which is funded jointly by the federal and provincial governments across this country, benefits abused and neglected children in need of protection, mentally and physically disabled persons, one parent families, seniors, the unemployed and the working poor, battered women, families and individuals in crisis. The program serves homes for the aged, nursing homes, shelters for homeless and shelters for battered women, residential welfare institutions and rehab centres. It services child welfare services and child care through subsidies to low income Canadians.

What this government is doing with this bill is imposing a further limit for another five years on the legitimate needs of those who are served under the Canada Assistance Program.

In British Columbia, the province from which I come, there are already 43,400 people a month served by food banks, 18,000 of whom are children. We have an unemployment rate of over 10 per cent in British Columbia, and it is rising. Thousands more are under-employed, barely scraping through an existence that could be described as below the poverty line.

The Canada Assistance Program is one of the few programs in this country designed to help the poor. We in Canada have over a million children below the poverty line, one of the worst records in the western world. In British Columbia, as in Canada as a whole, the gap between rich and poor is obscene, and yet this government proposes to try to deal with its budgetary problems by imposing a cap on CAP.

In British Columbia alone it has been estimated that this bill will cost the provincial treasury, in its attempt to shift from the federal treasury to the provincial treasury, over $900 million in the next three years. We, unfortunately, at least for the next three weeks, are blighted by a government that simply passes on the bill to the poor.

Rita Johnston has already said in some public statements that faced with this bill, they are simply going to pass it on to the poor. "It is little enough", she says, "that we are doing now for those people who are not able to help themselves". She certainly has that right. To follow on the quote: "If we are having to look at the taxpayers of British Columbia assuming more of the responsibility than they presently do, it is going to be a hardship". In future provincial budgets she says "You are going to see us saying 'no' and 'not right now' more often than you have in the past". And this is a provincial government which has one of the worst records in Canada for dealing with the poor and those who have not.

This bill, having a direct impact on the poor, must not proceed.

The government raises its fiscal problems in answer to the criticism it has been getting from this side of the House on this bill, and yet the Conservative government over the last six years has actually reduced taxes to the large corporations by 20 per cent, while their profits have increased by 34 per cent in the same period of time. Liberal and Conservative tax loopholes at the rate of $6 billion a year are not being touched by this government.

Instead, it chooses to attack the poor in British Columbia, Alberta and Ontario.

Madam Speaker, this is a bad bill. It should not proceed. We will vote against it.

• (1540)

Mr. Joe Fontana (London East): Madam Speaker, I wanted to say it is a pleasure to stand up in the House and speak on this Bill C-32, but this bill really punishes people. While the government would have us believe that it is simply a bill to try and deal with its deficit and debt and its budgetary problems, I think one needs to look at what the Canada Assistance Plan does, has done and will do for the people of Canada.

It becomes clear that putting a cap on the Canada Assistance Plan, especially in the provinces of Ontario, B.C. and Alberta, essentially says to the provincial governments and the municipal governments: "We, the federal government, do not believe that we have a responsibility beyond the 5 per cent increase to look after the people who are in need in your provinces that find themselves in some difficult circumstances".

In 1965, Prime Minister Pearson brought in the Canada Assistance Plan to a certain extent, as it has been said, as his declaration of war on poverty. I and my colleagues, about eight months ago, travelled across this country to look at the effects of the government's economic policies and the effects upon the men and women, the workers in this country, and what was occurring because of this government's made-in-Canada recession.

In 35 cities across the country we found that there was an awful lot of pain and anguish, that men and women were losing their jobs and having to go on welfare because their unemployment insurance benefits were exhausted. Because of another of this government's bad, ill-fated attempts at creating equality under Bill C-21, people were forced off unemployment insurance on to the social welfare rolls in the municipalities.

Municipal leaders, provincial leaders, business leaders and social community groups said that the recession was having a devastating effect on people's lives. In fact, the provincial and municipal governments were now forced financially to deal with the great needs out there and that the federal government had essentially washed its hands and its responsibility, its social obligation, its moral obligation that it has had since 1965 to essentially assist people, no questions asked.

Yes, everyone would agree that we need to get our financial house in order, that one needs to look at waste in government and to target our expenditures, but surely we do not need to essentially gut the most important social net that we have in this country and that is the Canada Assistance Plan.

I want to deal again with what is behind the Canada Assistance Plan. In its preamble, the Canada Assistance Plan states that its objectives are to alleviate poverty and to prevent and remove the causes of poverty and the dependence on public assistance.

Well, we may be in the 1990s, and some people may have it good, but there are a lot of people who do not have it so good; the 1.5 million unemployed. Last year there were over 1,800,000 people were assisted through social assistance, with the help of the provincial and municipal governments for such things as welfare, dental care, home care, safe housing for abused women, foster homes for abused children, subsidized child care for low income families, shelter, clothing, food and emergency shelters for the homeless. If you look at what the Canada Assistance Plan stands for, it stands for helping people. Surely the government, if it wanted to essentially save some money, could look at other areas within its budget controlled areas to deal with the budget, but not to gut the social net that is there to help our citizens.

To suggest that Ontario, B.C. and Alberta can best look after the needs of people themselves, and hence the federal government putting the cap on CAP, is surely trying to create two different kinds of citizens in this country; those who come from the richer provinces and those who come from the not so fortunate provinces. Yes, the government introduced Bill C-69 in its last budget. It was only supposed to be for two years. The provinces fought it in the courts but the courts suggested that the federal government had the power to do as it did, which was to change its social contract. The government did it again this year and said that it was going to continue to impose this pain and suffering on municipalities, the provinces and the people by extending it for a third year.

I find this really hypocritical because the government's constitutional plan laid out yesterday talked about co-operation, about a federation of the councils in which the provincial governments would sit down with the federal government to discuss the budget and co-ordination of programs. This government talks about one way to deal with other governments but does exactly the opposite through legislation such as Bill C-32.

If the constitutional plan as the Tories envision it was in place, would they have the gall and guts to do this to the provinces, to put a cap on CAP? It would not be allowed. The Constitution would not allow this government to do what it is now trying to do through the back door by putting a cap on CAP.

The government and the Prime Minister talk about a compassionate society, about the fact that this country has to be united and that we have to work together to solve our constitutional problems, our economic problems, and our social problems. Yet at the first opportunity, where does it attack? It attacks the very social fabric of this country by tearing apart the safety net that previous Liberal governments had put in place, and this government is prepared to watch people go through that net.

It is prepared to say that while we want to deal with our deficit, the provinces and the municipalities must deal with the deficit. Municipal leaders, especially in Ontario where they are facing elections this month, have had to increase their property taxes because their welfare rolls are ballooning 100 and 200 per cent. The provincial governments are having to put more money into those social assistance benefits. Why? Because this government has forgotten its moral obligation to help each citizen of this country.

I find it reprehensible that this government can talk about co-operation, about a compassionate country, about unifying this country while at the same time it is prepared to take a scalpel to our social net and our social benefits and leave people to fend for themselves.

I am not sure that Canadians can accept that kind of government. I think they want more than that. Does this government really want to deal with budgetary problems it has created? The Tories have had seven years under the best of economic conditions to deal with their budget, yet our deficit is still at $30 billion. Our debt has gone from $200 billion to $400 billion. I suggest that the problem is not with the Canada Assistance Plan but with this government.

We need a new vision for this country and a new government to deal with it.

Mr. Sergio Marchi (York West): Madam Speaker, like my colleague from London East I rise to discuss Bill C-32. I suppose a debate such as this one on Bill C-32, which is an attempt to limit the Canada Assistance Plan, helps distinguish what it means to be a Conservative in this country for average Canadians tuning into this parliamentary debate.

I say that because it is part of their agenda to interfere with a program that has been in existence since 1966, a program that allows a national federal government, under a cost sharing agreement with provincial governments, to provide social assistance programs for Canadians who deserve them when they need them.

For a Conservative government during one of the worst recessions in this country's history, which was made by the Conservative government, to introduce a piece of legislation such as Bill C-32, does not speak too highly of the winds this country has had to go through in order to arrive at the Canada Assistance Plan. Does the government realize that Canadians are going through some very tough times?

• (1550)

The solutions to our social problems are good, solid economic policies and programs. However, we do not have those economic programs. We do not have good economic times.

My own city of Toronto is quite often labelled as the fat cat city but let me tell the government that there is an underbelly to metropolitan Toronto as well. There happens to be double digit unemployment in the city of Toronto, including in my own riding.

There are a record number of plants closing in the city of Toronto. There are a record number of plants moving south and a record number of people unemployed for the first time in their lives, embarrassed to be unemployed and embarrassed to go to their members of Parliament to fill out a UIC claim. They are embarrassed because they feel their dignity is under attack.

There are a record number of people going from full-time jobs to part-time jobs. There are a record number of students graduating from our universities and

college fraternities who cannot find their niche in society.

There are a record number of people lining up at our food banks. The numbers are greater than during the Great Depression which this country knew some years back. There are a great number of people in the city of Toronto with children who go hungry.

This government needs to listen. This government needs to open its eyes and recognize that Canadians are hurting. Yes, Canadians want, expect and deserve good, solid economic management. However, Canadians also recognize that in time of legitimate need there has been a history and tradition in this country which is part of the Canadian social contract that they contributed during the good times and there will be some allowance, some assistance, some social safety net for the rainy days, the troubling days.

A bill like Bill C–32 would remove in large measure the ability of provincial governments like the one in Ontario where the recession has been the worst, where the manufacturing base has been hit the worst, where most of the plant closings have been. This bill will begin to undermine the underpinnings which have kept that safety net there for Canadians who have to endure the tough times.

This government simply cannot ignore its economic policies, its dollar policy, fiscal policy, its interest rate or its lack of an economic plan to put Canadians back to work. It cannot ignore that fact while also at the same time begin to remove itself from any social obligations as a response to that economic malaise.

It cannot do both at the same time and expect Canadians to be confident, to survive and to have any sense of dignity about living in a country that has been the pride and envy of countries around the globe.

We cannot have both at the same time. If we try to do those things at the same time—that is, ignore the economic needs and remove the social underpinnings—we are going to create a situation where many Canadians across the country will be able to make their ends meet.

How many of us as members of Parliament meet Canadians in our constituency offices on Saturday mornings and see people in desperate situations? They are working middle class Canadians who are finding it more difficult to stay working middle class. They come to us and say: "How do I make things work? I have children who go to school to feed and clothe". Both parents are working. The mortgage on their house is unpaid yet. Property taxes continue to go up. GST is a reality. Increased taxes from all levels. Then, when you really, legitimately need some help through no fault of your own and you do not control the economic lifeblood of your community, there is going to be even less for you when you go looking for the types of programs that have been a pillar since 1966, since Mr. Pearson introduced the Canada Assistance Plan.

Now that we have a constitutional proposal, let the government think of the role of the national government, of national standards, of trying to give dignity and a sense of decent lifestyle to Canadians from coast to coast. If it is serious about a true national role, then it cannot be serious about moving Bill C–32 through the House at this stage.

Even in the worst case scenario there may be an argument when economic times are good. However, the experiences of real Canadians and real communities across the country are far different. In fact, we probably cannot legislate based on good and bad times anyway because we are going to know both in this country.

What Canadians want to know and be reassured of is that while we are going to have economic roller coasters, that there is a base, a foundation, a contract, a consistency, a stability of some minimum in this country that should not be constantly attacked. We have seen moves by this government since 1984 in the social arenas, whether it was the pensioners one year or the Canada Assistance Plan this year. We have seen moves to begin to unravel programs that we fought for and that political blood has been expended on. We cannot begin to unravel and undo in short order what it has taken this country generations to build.

I believe in this time of cynicism, when Canadians are lacking confidence in their institutions and in their members of Parliament, part of that is a feeling that we are losing too much too quickly as citizens and as a country, whether it is defined through sovereignty, whether it is defined through our close relationships to the Americans to the free trade, whether it is open skies, and even domestically, when one begins to lose the

things that have been of value and have given definition and sense of purpose to the term "Canadianism".

We on this side of the House are urging government members to reconsider Bill C-32, to understand the hurt out there and to begin to feel and share the hurt. If they feel it and begin to share it, they will not move on Bill C-32, because to feel it and share it would be to have a sense of compassion and a sense of duty.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I too would like to speak on the bill before the House. Bill C-32, would effectively cap the CAP for the three so-called wealthy provinces: Ontario, Alberta and British Columbia.

You may, Madam Speaker, being from a province which is not subject to this bill, say: "Well, that is fine. You are wealthy people in Alberta. You have no poor people there". I doubt that you would say that, but some people might think that. Therefore, one makes a sacrifice to try to balance the budget.

In starting, I would point out that on the weekend the Department of External Affairs has allegedly spent $140 million on a communications system that does not work.

• (1600)

You will have noticed, Madam Speaker, that last year the federal government spent $500 million on sending its public servants—one of whom I used to be—around the country. The government is spending about $160 billion a year now on some things which I think to most Canadians are simply beyond our means to afford.

I will spend time on this, although I realize I only have a few moments. I would like to talk a little bit about poverty in Alberta since a lot of people think it does not exist. There is a lot of poverty in Alberta. There is a lot of poverty in single families in my own constituency, and I have met a lot of them, invariably women because, as you know, divorce or separation, is instant povertization for women. In fact, one single parent told me recently that by her estimates, the husband's income actually goes up substantially when they separate, the wife's goes down enormously.

There is a great deal of poverty in Alberta and unfortunately it has been growing rapidly. There are 49,000 households in Alberta living below the poverty line. There is the working poor, which you know about as well. Children in Alberta are now marginally worse off than those of the average Canadian. I wonder how many people outside of British Columbia and Alberta know that. It is actually higher for Alberta than it is nationally.

There are all kinds of indications which I think are irrefutable that poverty and the working poor children in Alberta are not living in the lap of luxury at all. What this bill does, as I am sure you know very well by now, Madam Speaker, is it is going to make it harder for us to provide assistance. It is going to make it harder for us to provide education. It is going to make it harder for the people in Alberta, British Columbia and Ontario to provide things which probably are part of the glue that holds Canada together.

If this government removes enough of the glue that holds us together, I fear enormously for the future of my country. You may say that they are only doing it to these three provinces. What are we going to do next year when they do it to Manitoba, or to Saskatchewan where the farm price is probably unprecedented in this century, including the Depression years. If they can do it to three provinces, they can do it to any province.

I would ask members of this House to urge the government to withdraw the bill, not to go ahead with it given the present economic situation, because it will weaken the ability of three provinces in this country with thousands and thousands of poor families, families who need educational assistance, families who need hospital assistance, to provide those services.

According to the government's estimates, the three affected provinces will lose $2.13 billion in federal transfers over the five-year period through to 1995-96. Provincial estimates are significantly higher.

Under CAP, as you know, Madam Speaker, the federal and provincial governments share equally in the costs of basic necessities such as food, shelter, clothing, utilities and household supplies to persons who so qualify. Services are provided for poor people and lower income people through CAP and include such things as dental care, essential living services for disabled persons, foster homes for abused children, safe housing for abused women, subsidized child care for low income families.

The cap on CAP, as it has been termed, has been extended by the Conservative government and, of course, as we know the court has now recently ruled that it can do that. As a result of that ruling, the government will seek repayment of CAP funds transferred to the three provinces, including $40 million to British Colum-

bia, $400 million to Ontario, and I am afraid I do not know how much for Alberta.

This party, I am proud to say, has consistently opposed the cap on CAP. We do not support the Conservative government's measures to transfer the burden of the national debt and federal deficit reductions on to the backs of poor Canadians, in this case the three provinces at issue.

I am delighted that so many speakers on this side of the House have got up to oppose this bill. I assume, Madam Speaker, you are going to hear shortly from a colleague from Sudbury who will do the same. I think it is a very sad day, as an Albertan and a western Canadian, when a government is going to bring in a measure that will do significant harm to our fellow citizens in the three provinces which have difficulty getting by at the end of the month.

I would put it to you, Madam Speaker, that the bill makes a mockery of the 1984 election pledge of the now Prime Minister that social programs are "a sacred trust". It also digs the grave for universality. I believe it could well turn out to be part of the—perhaps tombstone is too strong a word—end of medicare as some health experts argue. Anti-poverty groups have said that the poor will be left defenceless. The Native Council of Canada has called this bill and its earlier predecessor C-69 "a national disaster for people already living in Third World conditions."

The bill is unacceptable to my party and, I believe, it is unacceptable to the vast majority of Canadians and certainly the vast majority of people living in the three affected provinces.

Mrs. Diane Marleau (Sudbury): Madam Speaker, I rise today to speak to Bill C-32, which is a bill to extend the cap on CAP. CAP, in essence, is the Canada Assistance Program which is the bill that provides or matches moneys to provinces for a number of welfare and social programs which affect, by and large, seniors, children, women and those people who are unfortunate enough to no longer have a job, to no longer collect unemployment insurance and are really in desperate need of welfare. Of course, we do have a law that states that if a person qualifies in the municipalities, they must pay them the money.

As you know, this creates a tremendous burden on municipalities and so the property taxes end up being increased. In my community and in many communities in Ontario, already the property tax base is very high. People have been taxed to death and it continues to happen.

I must say something. It seems very strange to me to be standing here in this House, in essence speaking for the people of Ontario, defending the people of Ontario and speaking for the NDP government in Ontario, saying that we all know it has a huge deficit and this will certainly increase its deficit, but I wonder, over the last little while, why I have not heard any of my colleagues from the NDP rise and deliver any kind of speech on this subject. It seems rather passing strange to me that I, as a Liberal, am here defending the position of Bob Rae's NDP government in Ontario when I know that he has many colleagues here who do not seem to be standing up to speak on this subject.

Nevertheless, I feel very strongly about the issue. I feel that someone has to stand up and speak for those who have a very difficult time defending themselves in our social system.

I do agree with deficit reduction and with controlling the amounts of moneys that are spent. I find that very commendable, but I often wonder how a government can, on the one hand, say we are going to control the deficit and we are going to control it on the backs of those who have nothing, and then turn around and have money for many of the projects that please them and their friends. We have any amounts of moneys for computer programs and computer systems. We had one just the other day that we heard about in External Affairs. It was scheduled to cost $28 million and it is costing $148 million. There was money for that. There will be money, I am sure, for many other projects which happen to appeal to the Conservative government's friends.

• (1610)

It surprises me that suddenly there is no money to match for those provinces that are seemingly the richer provinces, although I would beg to differ now after what has been happening in Ontario with the massive long-term loss of jobs in the industrial sector.

This is not like the last recession in the 1980s. If you can recall in the early 1980s, we did have a very terrible recession in the country. It was very much a world-wide recession.

In the early 1980s, the jobs were put on hold. They did not disappear forever. These jobs are gone now. It seems to me that we have to give some consideration to the burden that will fall on the provinces and on the municipalities because obviously the provincial government has no room in its budget to take up the slack of what this government is not going to give them. It has already overspent in many areas, so it is going to pass it on to municipalities and municipal taxpayers.

I was once an alderman and a regional councillor, and I can recall how terrible it was for us to keep raising taxes. The people of Sudbury pay just about the highest municipal taxes in the province of Ontario, and yet already the budget for welfare has surpassed anything that they predicted. Obviously, that money will have to come from somewhere.

It is not just the welfare rolls. It is the other areas, the seniors and the homes for seniors. Every day we read of some of these homes which are inadequately funded. I was reading just the other day of one home—I am not sure where it is—where the staff actually had to go out and do the laundry because there had been no laundry delivered. There was no money to make sure that they had clean linen.

Have we forgotten that we do have a duty to our seniors, to make sure that they are well cared for? We must not forget that we owe them a debt. They did many things for us, and now it is our turn to do for them.

We must also not forget those who will follow after us, that is, our children. You all know, of course, of the desperate need of many of our children. Many of our children live below the poverty line. They live in homes where the income is very low. They live in homes where there is only one parent. That parent may not have a job. That parent may be living on social assistance.

What happens to these children? What kind of hope can we give them? I am convinced that somewhere, somehow we have to start co-operating with all levels of government. It is not fair for one government to decree to another one. Somehow there has to be a mechanism put into place so that every level of government can sit down and say: "Listen, we have these problems. We do have the problem of the deficit and the debt. Yes, we acknowledge that."

We also have a problem with people who are unemployed and with people who are on social assistance. We have children. We have the middle income, ordinary taxpayer who is absolutely pushed to the limit. In any of the subdivisions where people have kept their homes to see their property tax base continually increase year after year, is there any wonder why there is a revolt?

Do we forget that it does not matter which pocket the dollar comes from, be it the right pocket or the left pocket? It is all from the same person.

I think there should be some way that we could sit down together. Let us not pass this bill, Bill C-32. Let us come back with some kind of project where all levels of government will work together to help all sectors. Perhaps we could come up with some answers.

I know it is not easy, but there are no easy answers. Obviously, this is not the answer that it should be. It is certainly not an easy answer.

I plead with the members on the other side of the House. I know there are many of them who are compassionate. They do not all believe that they should hurt people. I plead with them to please all sit together, work together and try to resolve some of these problems.

Slashing, cutting or decreeing do not help. They really do not help.

I on the other hand would be very happy to sit down with these people and say: "Yes, let us all tighten our belts, but let us not forget those who need our help also". There are many instances where we can ourselves cut back on our spending and help those who cannot help themselves.

I think it is horrendous that now in the 1980s it seems that wherever we go there are food lines and people who are hungry. It is national disaster in a country with the numbers of resources and with the standard of living that we have that we should have that kind of a disaster befall us.

I understand that it is not always easy to address these issues, but it is certainly a very worth-while one. I have to ask again whether our friends to the left will be prepared to stand up and defend the province of Ontario. In my riding, we have three provincial NDP members. I wonder what they think of this. I wonder if the people from their party here in the national capital are willing to stand up and speak to this point. I have not heard any of them. I gather perhaps a few have spoken to the issue.

Have they just walked away from the fate of our poor Canadians? I do not know.

I can understand the people from the Conservative Party not wanting to rise because they are ashamed. I would be ashamed too if I was doing that to those who have less than I have. I can sympathize. I would be ashamed also.

An hon. member: I am not ashamed.

Mrs. Marleau: The member across the way tells me he is not ashamed. I think he is an exception. Otherwise, why are they not standing up and defending their position and saying why they are going to do this to all of these poor people.

I want to thank you, Madam Speaker, for your patience, and I want to ask that you do everything in your power to convince this government to be fair and honourable with regard to our poorest.

Mr. Bob Wood (Nipissing): Madam Speaker, it is a pleasure to be able to rise and speak on debate on Bill C–32, an act to amend the Canada Assistance Plan. The Canada Assistance Plan is a program created back in 1966 to permit the federal government to enter into cost sharing agreements with provincial governments for the provision of social assistance and also social welfare services for Canadians in need.

What does this bill do? It reaffirms, I believe, the agenda this government has been pursuing for seven years now, which is to attack the fundamental social safety that this country had established over decades and at the same time to pursue financial debt and deficit reduction in a clearly unbalanced way which ignores the tremendous social debt and deficits we all face in this country. Good government requires a balanced pursuit of both economic opportunity and social justice.

The bill introduced under the name of the Minister of Finance implements a measure announced in the 1991 budget and will drain—and the federal government admits this—more than $2.2 billion in federal transfers to affected provinces over five years through 1995 and 1996.

The provinces, for their part—and we are talking about Ontario, Alberta and B.C.—expect the actual lost dollars to be much higher. Regardless of the final figures the same people do suffer. The provinces affected by these restraint measures are home to about half of the poor families in Canada, and 54 per cent of all welfare recipients under CAP live in these provinces.

The result is that the majority of the most vulnerable people living in this country are very hard hit by this measure. Of course the impact of this bill must be added to a similar measure passed as part of the 1990 budget which cut the growth of the same CAP transfers through 1991 and 1992.

What is the federal government targeting for cuts with this measure? It is kind of a fly–by–night operation. Under the Canada Assistance Plan the federal and provincial governments share equally in the cost of basic necessities such as food, shelter, clothing, utilities and household supplies needed by those most needy in our society.

Only a Conservative could question these vital programs as luxuries or frivolous spending. That is the conclusion from Bill C–32. Under CAP, services are provided for children who are in care and are in need of protection due to abuse or neglect, mentally and physically disabled persons, also one parent families, the aged, the unemployed, families or individuals in crisis, low income workers, and battered women.

• (1620)

Do these sound like people with the luxury of tightening their belts as the Minister of Finance keeps telling us? CAP services include dental care, essential living services for disabled persons, foster homes for abused children, safe housing for abused women, and subsidized child care for low income families. Many Canadians agree with financial responsibility in government, but do these sound like programs where federal dollars are being squandered or wasted? Hardly, and I would expect most Canadians do agree.

The restraints in Bill C–32 are bad enough in their own right, but they also confirm once again to the whole country this government's approach of attacking the most vulnerable in our society. It reminds everyone that for those at the bottom of the income ladder Tory times

are indeed tough times. It tells those who today must look to government for a hand to get in line behind the government's crusade against the deficit. It also says, once again, that this government will pursue the deficit problem alone above all others.

As Canada enters the 1990s there are compelling reasons to fear for the survival of the nation's social safety net, and it is because of this government. Since 1984 the Conservative government has pursued a legislative and fiscal agenda that demonstrates an abrupt departure from traditional values and priorities in this country.

One example is the erosion of universality of children's benefits and senior citizens in the legislation to tax back family allowances and old age pensions. It is true, as one observer put it, that under the Conservatives the responsibility of social policy has seemingly shifted focus from the Department of National Health and Welfare to the Department of Finance, hardly the social conscience of the federal government.

We are only now discovering what it means to have left the economists and tax lawyers at Finance in charge of social policies.

This government's record in a relatively short seven years stands as a clear rejection of Canada's proud record in advancing the cause of social justice and of enhancing our social safety net as a symbol of caring society.

In looking back, 1940 brought the Unemployment Insurance Act; 1945, the universal family allowance; 1944, the National Housing Act; and 1941, Central Mortgage and Housing. These were all measures which took steps to decrease the gap between rich and poor in this country.

The 1950s extended social safety in this country. Income security provisions for the elderly and for the disabled were substantially revised. In 1956 legislation was passed to furnish 50 per cent of provincial social assistance payments and share in the cost of provincial hospital insurance programs.

The 1960s brought the Canada Pension Plan, the old age security guaranteed income supplement and the Canada Assistance Plan. Through the 1970s these programs delivered to Canadians the kind of society they wanted and they believed in. The early 1980s continued this trend with the Canadian Health Act reaffirming universal medical coverage and an end to provincial extra billing.

This was a record of the past that Canadians had spoken in favour of through past governments. And what was the goal through all these developments? They enabled the country to bring together its collective resources to enhance the development of the individual man, woman, and child and the individual's opportunity to succeed in life through education, health, and home.

Who would argue today that those were not good steps for Canada and every Canadian? Yet this government appears to believe its greatest achievement has been in reversing this proud record, and often in sneaky, backhanded sorts of way, never through the front door and never as a policy choice put before the Canadian people in an election.

This government has seen fit since 1984 to attack Canada's achievement as a country, that of a balanced agenda between economic opportunity and social justice, an attack that continues with Bill C–32.

Canadians will all remember the regressive steps under this government. There were cuts to medicare and post–secondary education through the EPF restraint, the clawback of old age pensions and family allowance benefits, the removal of the interest income deductions from the income tax forms, a measure which so helps seniors. Also there were cuts to unemployment insurance programs that have affected every part of the country. Special fees on student loans make the burden of education even bigger. Deindexation of the child tax credits, abandonment of child care, not once but three times, cuts to housing programs, and the list goes on.

Bill C–32 is yet another in the long list of regressive steps this government has taken over the years in reducing social expenditures in the name of fiscal restraint and deficit reduction. But this bill is also a very important symbol of this government's short–sighted approach, an approach of ignoring many of the real social needs facing this country while blindly focusing on the deficit.

As ministers opposite were whisked off to work this morning in their fancy limousines, hundreds of thousands of Canadians got out of bed but no longer had jobs to go to. This government appears oblivious to the plight of the beggar on the street. It is oblivious to the families slipping below the poverty line. It has little feeling for the family that cannot adequately feed and clothe itself. It is demonstrating all of this in Bill C–32 because its aim is to limit the benefits to those in this country who need

help the most. Those hon. members know that that is true.

Deficit reduction is a top priority of this government. The Prime Minister says it, the last Minister of Finance said it, and the new Minister of Finance says it. What the government has not learned is that deficit reduction is not a social policy. You cannot substitute good, sound forward looking social policy for a policy of deficit reduction. Good government always requires a much more balanced approach.

The government has failed to learn that it has to consider, along with the country's economic and financial deficits, the tremendous social debt and deficits that we also face. One cannot ignore one in favour of the other, as this government has done. One cannot abandon ones social targets and social policy goals in order to accommodate some sort of blind, narrow-minded view that the deficit should be our strait-jacket. This government has made the mistake of not forging a balanced approach.

Deficit reduction alone is not going to answer many of the real needs that are facing this country: job training, education, research and development. Deficit reduction is not a policy that improves the skills of one member of our work force, nor does deficit reduction feed people waiting in line at various food banks. For these challenges you need other policies, strong social policies on things like child care, income balance with economic policies. If we are going to build a caring and compassionate Canada we need all of those.

Canadians might again be able to look to their national government as a true reflection of values that we share as a people, a more equitable society. More economic as well as social concerns are all part of our national agenda.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I welcome the opportunity today to speak to Bill C-32, an Act to amend the Canada Assistance Plan. The purpose of Bill C-32 is to amend legislation that caps amounts paid by the federal government under the Canada Assistance Plan to provinces that do not receive equalization payments.

The government has set a ceiling of 5 per cent on transfers to these provinces for 1990-91 and 1991-92. Today, Bill C-32 will maintain the 5 per cent ceiling until 1994-95. These provinces, Madam Speaker, are Alberta, British Columbia and Ontario.

In his speech on September 23, the Minister of State (Finance and Privatization) argued that this bill was important as part of the government's restraint program. According to the minister, spending restraint was necessary to put the country's fiscal house in order. However, we must not forget it was this government's poor economic policies that were responsible for the first made-in-Canada recession.

Although the government keeps saying the recession is over, there are daily indications that the opposite is true. Today, 600 jobs were lost in the riding of Sudbury, the riding of my hon. friend right next to me. So even if the minister says the recession is over, it is not, Madam Speaker. It is still a fact of our daily lives.

• (1630)

My point is that this recession, whose effects we experience daily, has heightened the need for the kind of services provided under the Canada Assistance Program. As you know, Madam Speaker, contributions to the plan help meet Canadians' most fundamental needs, including food and shelter as well as various forms of social assistance. In fact, the Minister of State for Finance said as much in his speech last Monday.

That is why I wonder how the minister can justify extending these ceilings when Canadians need this kind of support more than ever before. Canadians have been hard hit by the GST, by lay-offs and by the recession created by this government, and now that same government has decided to cap assistance to Canadians in three provinces. That's Tory logic for you!

The Minister of State continued his statement by saying that Bill C-32 is based on the same economic doctrine that the government has pursued since 1984. That worries me a lot, Madam Speaker. I remember that in 1984, the Prime Minister based his whole election campaign on the creation of jobs, jobs, jobs. Seven years later—and it must be pointed out, Madam Speaker, that throughout those seven years, we experienced economic growth as never before in Canada. Nevertheless, after

seven years and the tremendous economic growth of 1984, 1985, 1986 and 1987, we find ourselves with the same unemployment rate as in 1984 when the Prime Minister wanted to create jobs and more jobs, as he promised all Canadians—he would create jobs and give them prosperity.

But here we are in a recession made in Canada by this same government and payments to the provinces are being cut. Madam Speaker, during the summer, like many members, I used the break from Parliament to go door to door and visit my constituents. In my riding of Saint-Léonard, because the federal government had cut transfer payments to the provinces, the provinces cut transfer payments to the municipalities and the municipality of Saint-Léonard had to impose a garbage tax on all citizens, be they owners, tenants or business people. The people of Saint-Léonard got the bill just as I was going door to door. I can tell you that they were not happy; they were desperate. They told me, "Look, this has got to stop. Always taxes and more taxes."

When I tried to explain the situation to them, I understood one thing, Madam Speaker: It is all very well, and it would have been easy, to say to my constituent, "This is not my field. I am a federal representative and this is a municipal matter. Go and see your city councillors." But they knew very well where it was coming from. They said, "This started at the federal level. You cut at the federal level, the province cut funds to the municipalities, but it is always the same taxpayers who pay." On one hand, we increase taxes and on the other, we cut services. Therefore the citizens are desperate, Madam Speaker, and of course this cannot continue. They have really had enough.

Since we returned, Madam Speaker, we have had all sorts of debates on Montreal. There are 10,000 more unemployed in Montreal since 1986. Every day, something closes. How will we get out of this? If we cut public assistance at the same time that people need it more than ever, it definitely cannot help the situation. Things will get worse and that is why crime is rising and we have all the troubles we do today in our society. It is because the economic situation is so terrible, the burden is so heavy that the people are really desperate.

Madam Speaker, I know that my time is running out—we are in a ten-minute period—but before concluding, I would not want to forget to thank my colleague, the hon. member for Mount Royal, who led this debate for us in the Official Opposition. I would like to congratulate her on the outstanding work she has done in the past few days.

And I hope that when the time comes to vote, government members will think of the poor, the sick and the homeless in their ridings who need these programs that support public assistance.

Madam Speaker, a fair and adequate social policy cannot be replaced with only deficit cutting. I agree that a more balanced solution must be found for the country's economic and social problems. The Canada Assistance Plan is the cornerstone of our social security regime. It is a last resort for many Canadians, whatever province they live in, because the problems are the same everywhere, Madam Speaker. All this bill accomplishes is the destruction of social security measures. That is the Conservatives' real agenda.

[*English*]

I would like to cite an article from the *Winnipeg Sun* in the month of August. The title says it very clearly: "Feds will make poverty worse. The poor will always be with us, but thanks to the Mulroney Tories, there will be more of them and they will be worse off". We cannot say more clearly what the situation is. That is where we are collectively as a people today. The government is leading the attack on the poor, and we hear Canadians say that they have no more.

I remember a young woman who came to see me in my office in the month of August. She said: "Well, Mr. Gagliano, it is nice for you to say that we should be proud of our country, should be proud of our Canada. How can I be proud of my country when it has been two years since I finished school and I cannot find a job? It is easy for you, you have a job, but I do not have a job".

Those are feelings we get from our constituents when we go back to our ridings. This is first day of the debate on national unity. In a room not far away from this House members of Parliament and senators are meeting to start the unity debate. I hope they will remember that if we want to keep this country together we need economic prosperity. We need economic and social policies that can keep Canadians hoping there will be better days; so that our young people can go to school

knowing that after they graduate they can get a job; so that our seniors and our poor people, whenever they are in need, can have a roof over their heads, can have food on the table to eat and adequate health care services to take care of them.

Mrs. Christine Stewart (Northumberland): Madam Speaker, it distresses me very much to have to debate this particular bill, Bill C-32 today. It makes me so angry that this government which had called this country's social programs a sacred trust has brought forward Bill C-32 to the House, asking for our approval to its cap on CAP, the Canada Assistance Plan.

It says to me that this government is terribly out of touch with the people of this country. If there is one thing that we as politicians hear across this country day after day after day, it is that we are out of touch. I like to think that I am not out of touch with the people in my riding. I cannot understand how a government can be so insensitive and morally bankrupt to bring in such a bill as this legislation today.

The other day the minister, in presenting this bill to the House, said that he was putting the cap on CAP in order to get our debt under control. He said the cut funding would be used to support programs Canadians want. What Canadians? If this government had sat down and had told the people of Canada of its vision and ideas for the future of this country and talked about the different options, I do not believe there is one Canadian who would be willing to see individual Canadians suffer as they are today in this country through poverty and lack of assistance.

• (1640)

This bill proposes to continue the cutback of funding to the provinces of British Columbia, Alberta and Ontario, supposedly the three richest provinces in this country. Yet we have heard week after week and month after month how Ontario, my province, is suffering day after day with more industries closing, more bankruptcies and more and more people unemployed.

It has affected the citizens of my riding of Northumberland most severely. If members of the government have not heard in their own ridings how it impacts on people individually, I would like to say a few words about how it is impacting on the people in my riding.

The government's lack of vision and support of a healthy economy in this country through various fiscal and monetary policies that are inappropriate has caused the constant growth of the unemployment rate in Northumberland.

In 1988 in my riding of Northumberland, unemployment rates did not rise above 5.9 per cent. In August 1989, the rate was 3.7 per cent. In 1990, the rate rose in August to 7.9 per cent. This year in August, the rate was 10 per cent, but what is more significant is that this represented a decline from earlier rates this year which were above 16 per cent.

My riding is suffering terribly. People are not even on the unemployment rolls any more because there are not jobs for them to go to after their unemployment insurance is exhausted. They are going on to the welfare rolls, the very programs that this Canada Assistance Program was put in place to assist.

The number of people who are receiving welfare in my riding has increased dramatically, a change from August 1989 when the offices providing social assistance had only about 200 cases, to August of this year when the number of cases approached 900.

Statistically, the curve for social assistance decreases in August in my riding, but this year the curve from January forward has shown a steady incline. There is great concern that we have not seen the end of this curve rising this year as more and more of the people who are presently on unemployment insurance are required to seek social assistance as their only way to survive.

The people who receive social assistance are also having to line up with their families at food banks and be cared for by volunteers in different programs across my riding of Northumberland.

The cap on CAP not only has a very direct impact on those who are poorest in our society, those who are most deserving and needy of the type of assistance provided by this program, but it also impacts upon those professional people who are working in agencies trying to provide services that are covered with funding from the CAP program.

In addition to those professionals, it also affects the volunteers who are working many hours, compassionately trying to provide necessary services for those most in need in my riding.

At this time of year in communities across the riding of Northumberland, United Appeal programs are taking place. Those programs are not successful without the contributions of many volunteers. In the past, the government provided assistance to the programs that those volunteers are involved with was a spur. It helped our volunteers to go forward and to provide the many hours of work to the benefit of the poorest in our area. The same thing is true for communities across this country.

The cap on CAP affects several programs, and they have been outlined by other speakers before me. Just to recapitulate, the CAP program provides social assistance from persons in need including single parents. Single parents with children are judged in our society to be the very poorest of the poor in our communities. Social assistance helps to provide for our aged, for our disabled, for our unemployed as I have indicated, and those unsung heros, those people who are low income working people with children who just are not able to survive on minimum wages. The CAP provides care in homes for aged people. It provides child care facilities and it provides transition homes for battered women.

The decline in our economy has had a dramatic impact on children in my riding of Northumberland. In 1991, the number of child care cases rose by 88.4 per cent from the 1984 level; from 509 cases to 959. In the same period, the child abuse cases rose by 279 per cent.

If you talk to the police forces in my communities they will tell you that no, unlike in the cities where drug abuse and drug related crimes are on the rise, it is not such a large problem in my community, but the calls that are surging up in number and that cause the most difficulty are cases of family violence. They attribute, very directly, the increase in the cases of family violence to the difficulty that families are having with their personal economies, families that suddenly find themselves unemployed, unable to cope with the economic obligations they have, not just to themselves personally, but to their families as well.

It is recognized that of those Canadian citizens receiving social assistance or welfare in this country, 40 per cent of them are children. The cap on CAP will have a direct impact on the suffering of children in this country.

Our Prime Minister went to New York last year in September for a summit for children which tried to urge all countries around the world to ratify a convention for the rights of the child. Children have the right to live well. By well I mean they have the right to food, housing and clothing, the basic needs. The cap on CAP, this bill, will prevent many children from having those very basic rights which are theirs.

I cannot say more about how distressed I am that day after day I go home to my riding and hear of more individual cases of families whose plans have changed because of a declining economy. That our government feels that cutting back on our debt problem on the backs of the poor is the way to resolve problems, to my mind, is very faulty thinking. In fact, we create a snowball effect where the costs of poverty will only increase by allowing more people to lapse into even more severe poverty.

There is no way that I can support this Bill C–32.

[*Translation*]

Madam Deputy Speaker: The hon. member for Mégantic—Compton—Stanstead on a question of privilege.

* * *

PRIVILEGE

ESTABLISHMENT OF THE SPECIAL JOINT COMMITTEE ON A RENEWED CANADA

Mr. François Gérin (Mégantic—Compton—Stanstead): As I walked down the halls of Parliament this afternoon, Madam Speaker, I noticed that the Joint Committee on the Constitution which was established pursuant to the order of reference made by House on June 19, 1991, was sitting. Upon checking the official parliamentary returns I found that the membership has yet to be appointed. Having made all the necessary arragements to represent the Bloc Québécois on this Joint Committee, I was surprised that the committee be allowed to convene before its members have been appointed and their names published in the *Debates* of

this House, so that I could see if I can sit on the committee or if I have been excluded from it.

I raised the issue with the committee, but I was told that the membership list had been left with the table officers after the House adjourned last night, claiming that the House was not sitting at that time.

• (1650)

The order of reference just can't be read that way, because if you take the trouble of mentioning in the order of reference that the list of members can be tabled when the House is not sitting, that also means that it can be presented when it does and only during the hours the House is sitting for publication the next day. Otherwise, the order would just state: the clerk of the committee can file the list with the table officers at any time. It would not mention specifically what to do "if the House is not sitting at the time".

Therefore, I consider that from the moment that the House has been sitting be it only one hour on a given day, the government or the person responsible for the tabling of the list should have tabled it while the House was sitting. The government cannot surreptitiously file a document with the Clerk during silent hours and think that it will be good enough. I repeat, it would not make any sense if that were the case. Otherwise, the government is going to start filing all kinds of documents and wait until we have adjourned for the day at 8 p.m. to table them and expect that is going to be just fine.

That being said, as regards the way my privileges as a member of Parliament were breached, I cannot tell from reading the *Votes and Proceedings* of the House of Commons whether I have been appointed or excluded as a member of the Bloc Québécois.

My second point is this. On the list tabled yesterday the names of 32 members of Parliament appear, while according to the order of reference there were to be 30 members. The Table can certainly make this list available to you, Madam Speaker.

We can see that the four last names at the bottom of the list, all from the New Democratic Party, are asterisked. The inference seems to be that it will be up to the whip of that party to decide who will be a replacement one day and an ordinary member the next and vice–versa and so on. I understand that it may be difficult for the NDP to designate members, but the problem is that members like that are bound to cost us a lot in travel expenses, such as hotel rooms outside of Ottawa, in Ottawa and across the country, and much more just because they have joined the committee as I do not know what.

So, for these two reasons, Madam Speaker, I maintain that the committee which is officially sitting today and hearing as we speak the minister responsible for Constitutional Affairs, is sitting illegally. This committee made various decisions this afternoon. As a member of Parliament, I could not move or second anything, I could not call for a vote, I could do absolutely nothing, while I, as a member of this House, had at least as much right as anyone else to be there and take such action. So this committee, which among other things has decided to broadcast its proceedings and incur substantial expenses, is now sitting illegally.

That is why I speak to you this afternoon on one hour's notice, instead of doing so at three o'clock, the time usually reserved for questions of privilege. I ask you, Madam Speaker, given the illegal situation in which the joint committee is operating—and I would point out that I am surprised that I, an elected representative who has won an election, am refused the right to participate, but unelected senators are appointed. But that is another problem that we can talk about later, Madam Speaker.

So there are now 30 or 32 people, we do not know the exact number, sitting and pretending to act as a committee of this House, but doing so illegally, incurring expenses and sowing confusion everywhere among all Canadians and Quebecers.

Madam Speaker, I ask you to rule immediately on these two questions.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I would like to help clear things up in order to assist you in the consideration of a very important matter, and an important claim by the hon. member. I want to indicate very clearly that when what used to be called the striking committee, the subcommittee to House management, finally reached an agreement on the manner in which to implement the agreement reached between the Minister responsible for Constitutional Affairs and my leader, the member for Yukon, it was very late in the day yesterday.

Regretfully, that subcommittee had not been called together during the summer to come up with the membership of the committee. In fact, the first formal call from the clerk of the committee to get us together was not until I believe Monday morning, and we worked through a number of days. It was not until late yesterday that we actually had the wording to agree to. By the time the signatures of the three Whips were obtained to

approve it as a decision of that subcommittee and it was transmitted through the vice-chair of the committee to the clerks, it was after the hour of adjournment.

Notice had to be given for an organizational meeting at three o'clock this afternoon, so due notice was necessary. It would have been very difficult for it to be done during Orders of the Day at three o'clock today when we had a room full of members, senators, media and interested public in the Railway Committee Room wanting to begin the process.

We believe we followed the motion adopted in this House on June 18, 1991 which says very clearly: "If the House is not sitting at the time of such Standing Committee on House Management Report, such report shall be deemed concurred in upon its being filed with the Clerk of the House of Commons".

The second point I wish to raise concerns the size of the committee. The motion does require 20 members of the House of Commons to be appointed. A list of 18 members' names is placed on the record. In addition, member no. 19 and member no. 20 are shown with asterisks with the provision that as Whip of my caucus I can rotate any two of four listed members into those two positions. The motion adopted in the House on June 18 gives the Whips of all three caucuses—the government caucus, the Official Opposition caucus and the New Democratic Party caucus—the power to substitute members of that committee. What we have done is not inconsistent with that decision.

Madam Speaker, I would ask that you give serious consideration to this matter, review with your clerks the procedure that was used and report back accordingly.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, as the Official Opposition Whip, I would like to say, as the hon. member for the New Democratic Party said earlier, that we have been trying since Monday to decide on the membership of this committee, in accordance with the Standing Orders. Unfortunately, due to questions of interpretation and negotiations that took place between the Minister responsible for Constitutional Affairs and the Leader of the New Democratic Party, it was not until late last night that we were able to reach an agreement and thus enable the committee to sit today.

We feel it is very important for the committee to start sitting immediately, and we believe we acted in accordance with the Order adopted on June 18 in this House for appointing 20 members of the House of Commons and 10 members of the Senate. Yes, there are three NDP members on the committee, and the NDP whip will be entitled to substitute two other names. In the motion we filed yesterday with the Clerk of the House of Commons, it is clear there are three members belonging to the New Democratic Party and two rotations are allowed. The same courtesy or privilege was extended to the four members who may replace or substitute for the three regular members. The same proportion was granted, and applies to, the government and the Official Opposition, Madam Speaker.

• (1700)

So I think we acted in accordance with the Order adopted in this House in June and in accordance with the motion adopted by the Standing Committee on House Management and the same motions adopted here in the House.

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, the Order of the House provides that 20 members of the House of Commons and 10 members of the Senate would be appointed. I have the list of senators and members of the House of Commons who were appointed, and there are 22 members of this House.

The Order was for 20, not 22. I find this rather odd, because in fact, this is infringes on our privileges as members. We were not consulted. We were not told about this. I feel the Chair should intervene to clear up this matter, and I think the hon. member for Mégantic—Compton—Stanstead made a very valid point in his question of privilege.

[*English*]

Mr. Angus: Madam Speaker, I apologize for intervening a second time. I just want to make it clear that the issue before us does not deal specifically with whether independent members of this House have the right or the obligation to be members of that committee. That is a separate issue, and we would certainly not object to independent members participating. In fact, according to

normal House rules, any member of the House can participate in the committee. Usually that is done after the normal round of questions, but everyone has the right to participate in the committee at any time.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Madam Speaker, I am not an expert on the way various committees are suppose to function, but I think it is quite clear that the Chair should take this under advisement and consider the matter further, because both issues seem to be fairly complex.

I do find it rather amusing that a political party should find it so difficult to decide who should be appointed. As for substitutions, as you know, all the parties will appoint substitutes. Nevertheless, I wonder why a party should have so much trouble deciding who is going to be a full-time member of the committee.

Madam Speaker, I would advise you, and I say this with a great deal of respect since you know far better than I do how to deal with these matters, to take the question under advisement and report back to the House in the near future.

[*English*]

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, while you probably want to take this under advisement and report to the House at a later date, I bring to your attention the motion which was put forward by the Minister responsible for Constitutional Affairs on June 18, 1991. You might want to reflect on that particular motion which subscribes to the comments referred to by the chief opposition Whip.

With regard to comments made by my other colleagues concerning infringement upon their rights, I wish to read for the benefit of members, Madam Speaker, as well as you, the provisions of Standing Order 119 which read as follows:

> Any Member of the House—

That includes members who may represent different political persuasions from the three main parties in this House. They continue:

> —who is not a member of a standing, special or legislative committee, may, unless the House or the committee concerned otherwise orders, take part in the public proceedings of the committee, but may not vote or move any motion, nor be part of any quorum.

Although you may not be a designated member of a particular standing, legislative or special committee, the provisions under the Standing Orders, as indicated by Standing Order 119, all members would have an opportunity to participate in the public proceedings.

There is a certain decorum, a certain approach that chairpersons of the respective committees follow. As the rules indicate very clearly, committees are the masters of their own rules and their own proceedings and can proceed in accordance with that particular directive.

I share that with you, Madam Speaker, because I think you probably might want to take this under advisement. I think you might want to reflect on the motion of June 18, as well as the provisions of Standing Order 119.

[*Translation*]

Mr. Gérin: Of course, Madam Speaker, the second of the two points I raised, concerning the NDP in fact being represented by five members, could be dealt with right now and fairly easily if the Chief Whip of the NDP, who is in the House, told the Chair that the five names shown on the list that I will officially file with the clerk— —and you will notice that it includes the names of the hon. Lorne Nystrom, Phillip Edmonston, Lynn Hunter, Howard McCurdy and Ian Waddell.

As I was saying, if the Chief Whip would immediately tell the House that two of these five names were put down by mistake, that would solve half of the problem. The only thing left to do after that would be to check if the two members struck off the list made, seconded or voted on a motion, or made amendments to a motion this afternoon. Because one can wonder whether it was number 31 or 32 who passed the motion or voted on it, or if the same person requested that I not be entitled to vote myself. The question is: who voted to exclude me? The problem could be solved if the whip would just rise

and tell us which of the two extra NDPs will be in a bad mood tomorrow morning?

On my first point, I would remind you, Madam Speaker, that when it says that the House is sitting, it obviously means that the House is sitting that day. Otherwise, we will not use that expression again, never. It would not make sense any more.

The point of the matter is that the interpretation of a word must make sense. Sentences must be interpreted so as to mean something. If it did not mean anything, it would not have been mentioned.

So, Madam Speaker, I table the list of members of the committee, which I got from the joint committee this afternoon and which indicates there are 32 members. It is hard to tell which ones are for real any more. Would it not be better to have a member of the Bloc Québécois on the Committee to represent the proponents of sovereignty? We do not know any more.

I now file this document officially with the Table Officers.

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, of course I do not know exactly what happened in discussions between the three whips. I speak now as a parliamentarian. It isn't always easy. An agreement was reached last night. Now I am normally a very disciplined person who bows to decisions that are made to promote harmony in the House and enable committees to operate effectively. I don't argue. However, I must say I was surprised when I attended the committee session this afternoon. I am very fond of this committee. I was a member in 1972 and travelled across Canada in the process. I have chaired many parliamentary committees, so I think I am in a position to offer a few comments you may wish to consider.

I am very surprised to see that the poor clerk— We have no right to ask a clerk to choose. The clerk's position on a committee is neutral. The clerk is an officer of the House.

[*English*]

I will proceed from now on in English. I see that in the membership, attendance and voting lists coming from the committee's directorate.

[*Translation*]

—there are 10 senators. Then we get to the MPs. There are 18 members of the House of Commons, with no distinguisghing characteristics, and then I see four names marked with an asterisk. I know what this may mean, but I wish we were told officially what is going on.

• (1710)

Everyone knows that my respected Whip, who is aware of my interest in constitutional matters, knows that I am available. He knows that, and I am telling him now, in front of everybody. He may not appreciate my carrying on and on about this, but I want to say that I am available, and if Misses Ouellet, Allmand, Guarnieri and Duhamel are not available and he wants to consider me, I will be available. The Standing Orders provide that the Whip files with the clerk, and all the clerk is supposed to do is say: The Liberal Party Whip or the Conservative Party Whip or the NDP Whip asks that Mr. Mark Assad, who is also interested in the question since he has been a member of other committees, substitute for Mr. Ouellet or whomever. So the same rules for everyone. No exceptions, because in that case, next week I will ask my Whip, my House Leader, to list a series of names of Liberal members marked with an asterisk, and then we will see who is important and who is not so important.

I respected my party's decision. They selected six members. We know they cannot be available all the time, all year. So the Whip will decide who replaces whom, as appropriate, at least as far as disciplined people like me are concerned, who respect our institutions. And I want to repeat publicly that I will be available if he thinks it is appropriate, and even if he doesn't, there is no law against a member who has a keen interest in the matter to go and sit down and listen. That is what I am doing, that is what I will do, and I am sure my Whip will understand.

So we have a document that is rather unusual. Well, in concluding, I must say that as a senior member of Parliament, this is the first time in 27 years and some months that I ever saw anything like this happen. I would like to understand what is going on, but I don't want an answer immediately. Patience is one of my virtues. I would therefore urge the Chair to take this under

advisement and then report back to the House and let us know exactly what should be done.

[*English*]

Mr. Angus: Madam Speaker, I did not plan on getting up a third time, but I think it is important that the House know that prior to the commencement of the organizational meeting this afternoon, a form entitled *Committee membership or substitutions or changes* was delivered to the clerk of the committee. It says: "Pursuant to Standing Order 114, notification is hereby given of substitutions or changes in the membership of the Special Joint Committee on a Renewed Canada and that committee member 19 was replaced by Mr. Edmonston and committee member 20 was replaced by Ms Hunter" .

I can assure the hon. member that at no time were more than three votes cast by the New Democratic members of that committee. At no time did any of the other New Democratic members move or second motions in that committee.

Unless something happened in committee this afternoon that I am not aware of, I do not believe there was any motion put forward by anyone to request an increase in the size of the committee to provide for full membership by Independents. That decision was taken in this House back in June by a standing vote in which, incidentally, my caucus voted against the creation of this committee and its composition in terms of the numbers of members. If there were to be any change, it should have happened back in June when this House was seized with that motion.

Mr. Gérin: I just want to ask a very simple question. Who are the three permanent members of the NDP?

Mr. Prud'homme: I want to know too. It is no joke. It is a parliamentary committee of the House of Commons. You have three members. Who are they? It is as simple as that.

Mr. Angus: Madam Speaker, I can say that today the members of the New Democratic Party caucus who are voting members of the special committee are Mr. Nystrom, Ms. Hunter and Mr. Edmonston. That may be different tomorrow if the committee meets tomorrow, just as down the road different Liberal members and different Conservative members will be sitting on those committees; but today those three people I named are the voting members of the day.

Mr. Prud'homme: I submit, very respectfully to you, Madam Speaker, that the hon. member is absolutely right in what he said. Today those three members are members of the committee. Fine. If he wants to change them tomorrow, all he has to do is do as anyone else who is a Whip and send a message to the clerk informing him that it is Mr. *X* who was forgotten today, who may happen to be Mr. Waddell for Mr. Edmonston, and that is the usual way. But why would the five names appear in the paper? The hon. member knows that I do not take direction from my caucus or from anybody. I am interested in a harmonious development of the rules of the House and I follow that. It is too bad if some people do not like it. It is embarrassing for me because I like to have good relationships, but this is not a harmonious way. Only three names at any one time should appear. Only six Liberal names at any one time should appear. Only ten senators at any one time should appear.

Of course, the hon. Whip is entitled to change it tomorrow or every day, but is he telling me and the House that only these five will be allowed now? What if these five members cannot attend and you want to have three? Why do you not put another asterisk? Are you going to name your entire caucus and therefore my Whip should do the same?

[*Translation*]

Madam Deputy Speaker: The hon. member for Mégantic—Compton—Stanstead gave the Chair an hour's notice and raised a question of privilege that has stimulated some most interesting debate and involved members on all sides of the House. First of all, I want to thank the hon. member for clearly and briefly presenting the points that concern him. I also want to thank the hon. member for Thunder Bay—Atikokan, the hon. member for Saint-Léonard, the hon. member for Saint-Denis and the hon. member for Beauharnois—Salaberry.

The point raised is fairly complex. The hon. member told me first that he thought that the members of this committee were not appointed according to the rules. He told me about this morning's Debates or Journals in which the list of members did not appear. He seems to want to accuse the government of tabling the list "on the sly", as he said. Furthermore, he asks me to rule quickly, now, to decide for or against someone now.

I understand his impatience, but I also think that he would allow me time to act a little more circumspectly, to take the time to recheck with the clerks the special order of June 18 or 19, which I do not have at hand, and to find out at what time the members of the committee were named, and then determine what "when the House is sitting and when the House is not sitting" really means, a point he called into question just now.

So if he, who is a lawyer, is unable to give a single interpretation of that, he will allow me a little time to find out and report back to the House.

• (1720)

The second point that he raised concerns the names of the members appointed to this committee; the hon. member maintains in his first point that they were not appointed according to the rules. The representatives of the New Democratic Party are mentioned. The hon. whip of that party told us how he saw things; other members gave us their opinions. I think that the Chair and the Clerk together will have to look into these matters and perhaps discuss them again to have the opinion of the whips who took part in these appointments. I want to assure the hon. member for Mégantic—Compton—Stanstead that I will come back to the House as soon as possible with answers that are as precise as possible.

Resuming debate. The hon. member for Cape Breton Highlands—Canso.

* * *

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–32, an act to amend the Canada Assistance Plan be read the second time and referred to Legislative Committee F; and on the motion of Mr. Vincent (p. 2536).

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I rise today to add my voice to the cause of those on this side of the House who have taken serious issue with the government's introduction of Bill C–32, the bill laughably entitled an act to amend the Canada Assistance Plan.

I say "laughably" as one might be referring to decapitation as a head cold.

Before I begin my remarks, however, I would like to express my concern for the hon. member for Winnipeg North Centre, Mr. David Walker, who is currently under the weather in his hometown of Winnipeg. I realize that it is not the custom of this House to refer to the absence of a member, but I should like to make an exception in this case. The member for Winnipeg North Centre has been a strong, thoughtful opponent of this legislation and I will be hard pressed to do him justice today. I wish him a speedy recovery.

In the absence of the aforementioned hon. member, I am pleased that so many members of our caucus have risen to speak against Bill C–32. My colleagues have been quick to point out the obvious inequities which are contained in this bill.

I note that yesterday and the day before, no fewer than 20 members of my caucus have risen to voice their concerns and their dismay with this government. I am, therefore, glad to have an opportunity to make my own comments today on behalf of my constituents in Cape Breton Highlands—Canso.

What I believe we have before us today is a classic example of the government attempting to close the barn door after the horse has escaped. It goes beyond this, however. It is far more insidious. We have a government which is trying to shift the burden of the national debt for which it is primarily responsible on to the backs of provincial and municipal governments. It is a loathsome example of buck passing, and it is the Canadians who are least able who will ultimately pay the price.

Informed members of the media have questioned the motivation for this and similar acts coming from this government. They have suggested that this is part of an over-all electoral strategy on the part of the government to project itself as fiscally responsible. It is becoming abundantly clear to more and more Canadians that fiscally responsible is the last adjective one would use to describe this government's dismal economic record.

This is the government which inherited a public debt of $167 billion in 1984 and which has managed in seven short years to balloon this debt to over $400 billion today. This is a government which took on a deficit of $16

billion per year in 1984 and which has raised that deficit to over $30 billion.

In light of this, how can the Minister of State for Finance claim as he did in this House on Monday that his government "has taken steps to reduce government spending so that we can live within our means".

What this government is trying to do is off-load the debt in the name of fiscal responsibility on to the backs of the provinces and the municipalities. In the case of Bill C-32, it has chosen to do that by cutting into some of the most critical areas of social assistance. In doing so, it has devoided itself of the tough decisions as to who will suffer as a result.

I need not remind members of this House that the Canada Assistance Plan was established under the government of the Right Hon. Lester Pearson in 1966.

It allowed the federal government to enter into cost sharing agreements with provincial governments for the provision of social assistance and welfare service to those Canadians most in need.

It is these same Canadians whom the government would today abandon so callously. Bill C-32 provides for the implementation of one of the more despicable measures of the 1991 federal budget, namely, the extension of the 5 per cent cap on the rate of growth in transfer payments under the Canada Assistance Plan from two years to five years.

The original cap in growth was introduced in the 1990 federal budget for those provinces not receiving equalization payments, namely, British Columbia, Alberta and Ontario. There can be no denying that this cap and the extension of it will severely weaken the ability of the governments of those provinces to provide federal/provincial cost sharing social assistance programs. The government estimates that the cost to the province of Ontario alone will be $1 billion per annum. Over-all, this cap will cost the affected provinces some $2.135 billion at a time when the Canadian economy is attempting to pull out of the recession brought on by this government.

We all know that the province of Ontario has been devastated by this recession, and by the consequences of other misguided policies of this government, the free trade agreement, which has prompted a flood of companies to move south to the United States, and the GST, which has accelerated the practice of cross-border shopping and has affected businesses all along the Ontario—U.S. border.

We in Atlantic Canada are not immune to the consequences of a severely weakened Ontario economy because sooner or later, and generally somewhat after the worst effects of the recession in Ontario, we will experience the worst effects of the recession in Atlantic Canada. Already we are starting to feel that as our economy in eastern Nova Scotia sinks ever and ever deeper into recession.

Let us examine more closely those areas of social assistance that are most likely to be affected: subsidized housing for low income Canadians, foster homes for abused children, safe houses for abused women, essential living services for disabled Canadians.

Are these the Canadians who should be paying the burden of this government's fiscal mismanagement? I suggest not, Madam Speaker, not in Ontario, not in British Columbia, not anywhere.

These are just a few examples. Underlying each example is the common knowledge that the Canadians who will be most adversely affected are those Canadians who are the most defenceless, the poor, the sick, women and children. But come election time, you can be sure that members of this government will be trumpeting their interpretation of events, how they restored a sense of fiscal responsibility. Such empty words when you consider the human potential that has been lost, and the suffering inflicted as a result.

Yesterday in this House, the Prime Minister introduced his government's plan for renewing confederation. It was obvious that his government has learned, to the detriment of Canadians, that you cannot exclude people from the process without grave results. The government has now pledged an open process wherein proposed changes will be considered and acted upon. Yet this government, through the introduction of this bill, continues to exclude those Canadians who most desperately need our help. It has not learned from its experience with Meech Lake that to exclude people, either politically or economically, is to do a grave injustice to the history and to the culture of our nation.

The government has seen fit to include the protection of property rights in the Charter, yet it does not see the merit in protecting those who have no property, those most in need of help. This government has consistently

ignored the plight of disadvantaged Canadians, as it continues to do with Bill C–32.

In conclusion, I would say that the experiences of the past suggest that if the government does not reform its way in this regard, in this most crucial of areas, it risks not only the lives of our least advantaged citizens. It risks the very nation itself.

• (1730)

Mr. Jim Peterson (Willowdale): Mr. Speaker, the government today with this bill is continuing its assault on the poorest and the most disadvantaged people in Canada. This thrust is not new.

Mr. Speaker, you will recall that the first measure taken by this government, after it assumed office in 1984, in the realm of social policies was to try to deindex the pensions of Canada's seniors. Seniors revolted *en masse*. They appeared on the Hill. Finally, the government had to back down. Had those seniors not had the will or the means to fight back, we in this House alone as members of Parliament would not have had the strength to make it happen. It was their demonstration of political will which forced this government to back down.

What do the Conservatives do? They continue their assault. They went about clawing back seniors' pensions and they were able to get that through. The heart had been taken out of many of the seniors who protested.

That assault continues today with their measure to take away the Canada Assistance Plan. This Canada Assistance Plan, as has been explained by my colleagues, is the last resort for those who suffer from poverty. When a person can get no assistance elsewhere, they have to resort to the social programs that come under the Canada Assistance Plan.

This was a plan entered into whereby the federal government said to the provinces: "We will bear half the cost of your ultimate social assistance programs". What has it done? It put a cap on it of 5 per cent a year for Ontario. This cap was put on at a particular time in our economic history. It was put on in June 1990 when unemployment in Ontario was at 5.8 per cent.

All of us are concerned about the deficit and our national debt. If we can find ways to economize, we want to do it. Maybe back in June 1990 there was some justification, although I disagreed with it vehemently at that time because it was a program for the most needy in our society. There was maybe some justification when Ontario had only 5.8 per cent unemployment to cut back on the CAP program.

It did not take the Conservatives very long to come forward with another program. Eight months later, in February 1991, they said not only will this 5 per cent ceiling exist for two years, but they brought in a budget that said it is going to go for five years. This capping of the CAP is taking $2.135 billion away from the poor people of Alberta, British Columbia and Ontario.

When they brought in that extending bill in the budget of February 1991, unemployment was no longer 5.8 per cent in Ontario. It was 9.5 per cent. Today, unemployment in Ontario is still slightly below our national average, but it is up to 9.9 per cent.

Even if you can say that the justification was that they had to save funds and they were going to impose that onus on the rich provinces, such as Ontario, back in 1990 that justification no longer existed. In February 1991 when they brought in the budget, or today when we are asked to vote on this bill, unemployment is high in Ontario.

In June 1990, when they brought this bill in originally, unemployment in Toronto was 4.5 per cent. Today it is above the national average. It is a disgrace that Canada's foremost city has unemployment of 10.8 per cent. What does this mean in terms of the poor of my city, the metropolitan Toronto area? What does this mean to the poor in Ontario?

Not only is unemployment dramatically up from when they brought in this bill, but welfare has risen incredibly. Welfare is up in the province of Ontario 64 per cent over a year ago, and yet the CAP program is going to cut it off at a 5 per cent increase. It has absolutely no relation to the needs of the people.

Maybe under some neo–Conservative philosophy this would be justified, if these people had alternatives. Maybe some neo–Conservative is going to say: "Let these people on welfare go out and get a job", but how can you find a job in the Toronto area when the unemployment is 10.8 per cent today? It is not their fault they are unemployed. It is this government, which has

brought in what is admitted to be a deliberately "made in Canada" recession; a recession it sparked in its monomaniacal attempt to deal with inflation. In the name of inflation, it went about taking us up to a record spread in interest rates above the U.S. rates. Never before in the history of Canada have Canadian interest rates been 5.8 per cent higher than American interest rates.

What did this do? It drove up our dollar. It drove up our dollar some 29 per cent from its low of a few years ago to its high today of over 88 cents.

The Tories say to us, as the Minister of Finance did the other day in this House, that isn't it a sign of confidence in our economy that our dollar is so strong. Mr. Speaker, it is absolute insanity.

The Liberal Party task force on deindustrialization travelled across this province for three months, starting in April. We listened to the people, the businesses—big businesses, small businesses—labour unions, experts, municipal councillors, the unemployed. We met with them in their town halls, their union halls, their closed down plants. The message was the same; this government gave us free trade, but at the same time it gave us free trade it took away our ability to compete. Our dollar went up some 20 per cent; it raised our interest rates; it has given us 32 tax increases so we cannot compete with the Americans in taxes. And then we have a government in Ontario that is threatening all sorts of other legislation, which means businesses will not come into Canada.

All of us on this side of the House hope that the recession is over, and there are a few signs that maybe things are getting better. But I was just talking with a major contractor who builds industrial buildings. I said: "How are you doing?" He said: "Well, I can hold on; I can hold on for maybe another year. It is just because I have a few buildings in the bank". He said: "But there are no new industrial construction projects going on". This is the story you are getting everywhere. Over the two and a half years since free trade came in, Canada has lost 261,000 or 13 per cent of all its manufacturing jobs. And, Mr. Speaker, with the recession, hopefully coming to an end, many of these jobs are not going to come back. They have moved to the United States and Mexico and with them have gone south the hopes of many young Canadians.

So here we have a government created policy of making a recession in Canada, a policy that anybody could have told you—and we told you—was going to drive the jobs out of Canada. What are we doing to the people who are suffering the most, the people on welfare, the people whose unemployment insurance has expired, the people who want jobs but cannot get them, the single parents, the disabled, the elderly?

• (1740)

What are we doing to help them? We are cutting payments available to them for welfare. Mr. Speaker, there are times in the life of a society when you have to stand up and say enough is enough, it is not fair, it is not right, it is not proper. Our society is going to be judged, not by the SkyDomes or the coliseums or the large buildings on Bay Street, or the ports and the docks. This is not the legacy we are passing on to our children. History will judge us on the way we treated our fellow human beings, the measure of compassion and caring. Did we, in their time of need, respond when we have the riches?

We will be remembered for the way we treated the weakest in our society, the people who do not have the means to rise up and rebel, the people who are not mobilized and organized, and can stand on Parliament Hill and rub the Prime Minister's face in what he is doing to them. We shall try in this House, but for these people what a pittance, the CAP program itself should not be enough. We should be investing in these people, giving them retraining and the capability to rise up and become active parts of our economy and our society.

It is that which we ask. What this government is doing is a shame to all of us as Canadians.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise today to take the opportunity to make a few comments on Bill C-32, which is an act to amend the Canada Assistance Plan. What this means is that the federal government will cut the Canada Assistance Plan payments to certain provinces, in this case, British Columbia, Alberta and Ontario.

This plan was brought into the House of Commons back in 1966. It gives the provinces the authority to enter into cost sharing arrangements with the federal government for the provision of social assistance and social services. The federal government pays 50 per cent of the costs that are approved under this plan.

We have had the Canada Assistance Plan for 25 years. Yes, there have been problems. There were times when the provinces have expressed their concerns about this plan. I think that on the whole, this plan has worked relatively well.

I know in my own province of Prince Edward Island it has been the means whereby my province has been able to provide many services that otherwise would not have been possible.

The proposed amendment to the Canada Assistance Plan that we have before us this afternoon means that the federal government will drain $2.2 billion in federal transfers from the provinces affected, British Columbia, Alberta and Ontario. That is a lot of money, $2.2 billion over a five-year period.

I want to give you a brief outline as to what this money is spent on. Children who are in care, and need protection due to abuse or neglect, mentally and physically disabled persons, one-parent families, the aged, the unemployed, families or individuals in crisis, low income workers, battered women.

Those are just a few examples of what the funding that comes from the federal government to the provinces under the Canada Assistance Plan is used for. I know that the legislation we have before us today, Bill C-32, really does not pertain to the Atlantic area.

My concern is about the future and I have a real concern which I want to express this afternoon. This government has shown that it is heartless enough to cut the funding for services in the area where 50 per cent of the disadvantaged live in this country. If it cuts the funding for that 50 per cent, what is to stop the federal government from going after the other 50 per cent outside these provinces.

Basically my concern is that if this government goes ahead with Bill C-32, and I imagine it will because it has the majority, it will mean that the federal government will have its foot in the door, setting what I think is a very dangerous precedent.

I know in my own province of Prince Edward Island that we receive approximately $30 million a year under the Canada Assistance Plan. As I said, the federal government pays roughly 50 per cent of the services that the province provides under this plan. This funding goes toward very essential services, services that are really needed in the province. We have the homemaker service in Prince Edward Island which is a very popular program. It is one which means that the elderly are able to live in their own homes because of services provided by people that come into the home.

Many of the individuals who take advantage of that service are people who are 70, 80 or older. Most of them have spent many years living in that community. In rural areas—certainly my district is mainly rural—we generally lack facilities to serve the needs of the elderly. That is why the homemaker service is particularly important. It is important that these people are able to stay in their own homes, in their own familiar surroundings where a lot of their friends are living, in a community where they have made a tremendous contribution through their earlier years.

That is one program that is offered in my province because of the funding from the Canada Assistance Plan. It is a wonderful program and certainly one that the seniors wholeheartedly endorse.

There are many other programs that the province funds from money from the federal government under CAP. It runs the sheltered workshops for the mentally handicapped. It runs group homes for people requiring that assistance. It helps to sponsor community agencies that help with transportation for the disabled. In many cases if the disabled were not able to be transported by that agency they would probably have to stay at home. This way they are able to get out to various events, meetings, and various types of entertainment.

The money that the province of Prince Edward Island gets through CAP is spent on very essential services.

• (1750)

There are others such as counselling and foster homes for abused children.

Mr. Speaker, you just signalled that I only have two minutes left, so I do not have time to elaborate on all of the tremendous services my province is able to offer because of the Canada Assistance Plan.

Certainly, as a former minister of social services, I understand the increasing cost pressures these services place on the provincial budget. I also know the resolve of provinces such as Prince Edward Island to ensure that these services are adequately maintained.

When the federal government cuts back on CAP, as it is doing with the bill before us this afternoon, it places great financial pressure on the affected provinces at a time when most provinces are trying to practise fiscal restraint.

As I stated earlier, the Canada Assistance Plan is essential in my province of Prince Edward Island. I know that this legislation today does not affect the Atlantic area now but my concern is for the future. By passing this legislation—as I said, the government has a majority so no doubt it will pass—this government will demonstrate once again that it is willing to implement its fiscal policies on the backs of the disadvantaged.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, Bill C–32, an act to amend the Canada Assistance Plan, if passed will put a cap on the Canada Assistance Plan transfers to Alberta, British Columbia and Ontario.

This government believes that these three provinces do not need federal equalization payments, but this government does not tell the public that over 50 per cent of all welfare recipients under the CAP shared programs live in these three provinces. Ontario alone will lose about $1 billion this year because of the cap on the Canada Assistance Plan.

What happens when the transfer payments are reduced or cut? People suffer. This government says that Ontario is a have province. What does that mean? What do we have in this have province of Ontario?

We have raging unemployment. That is what we have in Ontario. We have massive numbers of plant closures, such as the plant closure in Swansea in my riding. We have people who have been employed all their adult lives who find that their unemployment benefits have run out and they still have no job. These are people in their mid-fifties. Some, who are 60, have to work because their companies have not provided adequate pensions for their retirement.

What do these people do? They go on welfare. It is either that or beg for food from food banks. How humiliating. How depressing. Two years ago, there were 36,000 welfare cases in metro Toronto. Last year, that figure jumped to 50,000 and this year there are almost 88,000 cases. This is what we have in a have province.

Recently, a Liberal task force held hearings across Ontario, including the major cities and small villages. I joined the task force when it held hearings in metropolitan Toronto. We heard presentations by Mr. Alan Tonks, chairman of the Metropolitan Toronto Corporation. We heard a brief by Mayor Art Eggleton of the city of Toronto. These two gentlemen alone represent and serve over two million people. They serve more than many premiers serve. People do not realize that some of these cities have populations larger than many entire provinces. These two gentlemen are responsible for providing services to and caring for over two million people. Both of these gentlemen said, and I will never forget it, that the federal government has abandoned the big cities.

We heard in Question Period about how Montreal has been abandoned and about the economic woes of that city. The government has abandoned Windsor. We have been hearing about the prices and the unemployment there. It has abandoned Hamilton and the city of Toronto.

Here are some more startling statistics. There are 130,000 people in metropolitan Toronto who are currently collecting unemployment insurance benefits. Can this government give me assurances that when its claims are exhausted they will get jobs? I think not. They are going to go on social assistance. Does the Prime Minister still think that Ontario is a have province? Does he think that B.C. and Alberta are have provinces?

I recently asked my constituents some questions in a survey sent to every household in my riding. In the comments section my constituents said over and over again that every Canadian should be equal and that every province should be equal. They know that Bill C–69 was wrong. They know that this bill, Bill C–32, is wrong. This government is not treating all Canadians equally when the provinces are divided into have and have not provinces.

When one is very ill one should have equal access to hospital care. Where is the principle of universality that we cherished in this country for so long? It is the backbone of fairness in Canada, and this government is blatantly ignoring that fact.

Metro Toronto hired 350 new case workers for welfare last year and has been forced to hire 250 more this year. One of my constituents came to me recently and asked for a letter of reference from me. I have known him for about 15 years now and he had a very successful photography business. He came to me and said: "Mr. Flis, I have had to sell off all of my equipment and I need a letter of reference". I said: "You need a letter of reference to go on welfare?" "No", he said, "I want to work for welfare". The number of welfare offices and personnel is growing by leaps and bounds to serve these 88,000 welfare cases. I complimented him because rather

than go on the welfare rolls himself he applied to work in the welfare office to serve others.

The Conservative government hangs its hat on the Supreme Court ruling that the federal government does have the authority to unilaterally limit increases to the Canada Assistance Plan. However, the federal government has a moral obligation to assist provinces in providing services and care to those who need help the most: disabled persons, those requiring dental care, seniors who now are bedridden and require intensive care, foster homes for abused children, safe housing for abused women, subsidized child care for low income families, and the label low income families can be deceiving.

One of my constituents, a single mother, wrote to me recently and explained that she is a very fortunate person because she is earning $37,000 a year. She gave me a breakdown of what she pays for rent, what she pays for child care, and what she pays for other services. At the end of the month she has only $34 left to spend to take her children to a movie or wherever. She is seriously thinking whether it is worth getting up at six in the morning to do this day in and day out and she is contemplating whether she should go on welfare.

• (1800)

Well, if someone earning $37,000 is having difficulty, imagine the people getting an income of $15,000 or $20,000 a year.

My party recommended to this government how to take some of these people off welfare rolls, but the government will not listen. We agree in helping to reduce the deficit. We agree in bringing the public debt down. We have thousands of self-exiles in Canada who, while they were waiting for landed immigrant status, could not work. The government would not give them work permits to work. They wanted to work but this government felt it was more profitable to put them on welfare rather than give them work permits. Then they put a cap to reduce transfer payments to the provinces. The provinces passed that on to the cities like Toronto to pay welfare to these people. I cannot understand how this government can say it is managing this country very well. It is no wonder with this kind of mismanagement that the welfare rolls in Toronto are growing by leaps and bounds. It is no wonder that students come to me who cannot afford to go to university this fall because these of cuts and putting caps on CAP.

I hope that everyone listening will lobby, will appeal, that this Bill C-32 be killed.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I too am glad to have the opportunity to speak on behalf of my constituents of Winnipeg North, the Liberal Party, and my other colleagues in the Liberal caucus who would like to speak as well, but time does not permit. This is a very important bill entitled an act to Amend the Canada Assistance Plan. In fact, I wonder whether we can call this an act to amend Canada. There is really nothing left untouched by the Tory government, nothing which is holy.

Nothing is given back, only taken away. The Conservatives took away the trains and the CBC. They tax tobacco but use none of the revenue to help people quit smoking. They freeze transfer payments, endanger medicare and reduce funds available for student loans, then they take the loan money and tax students three cents for every dollar they receive.

This is a heartless government. And the thing that makes it most heartless is how little it cares care for the children of Canada. A cap on the Canada Assistance Plan cuts social programs. Who benefits from social programs? The people who have nothing, and many of the people who have nothing are children.

The welfare rolls are full of children. These kids often go to school with empty stomachs because their mothers cannot afford food. How can you concentrate on math and reading and reading when your stomach is empty? These children cannot learn with barriers like the ones the government is erecting for them.

The government professes to wanting a leaner machine where the excess is trimmed and the bottom line is cost-efficiency. Well, the bottom line for a hungry child is this.

His family is poor. His father was laid off. It is because of free trade, the plant manager said. His mom stays home to care for his little sister. They cannot afford day care. He goes to school hungry. He is small for his age, unhealthy, humiliated, and falling further and further behind in school. The other children tease him, call him names because of his old clothes. Is this the face of the leaner system? Does cost-cutting mean taking security away from a child and his parents?

Only 6 per cent of the federal deficit is attributed to social programs. Meanwhile the government can raise, according to the book *The Quick and the Dead—Brian Mulroney, Big Business and the Seduction of Canada* by Linda McQuaig, an additional $6.8 billion by closing off tax breaks.

Let me just say a word about this book written by Linda McQuaig, a leading journalist. This book is a shocking portrait of greed and ambition in the highest places and what it has done to the fate of the nation. Are we trying to amend, with this bill, Canada?

Why not close the tax breaks and stop taking food from the mouths of children? Is the government afraid it will become unpopular with the people it feels matter most, the rich company executives and their heirs? Are they the people who make up that 12 per cent still in the polls supporting this government? Are the other 88 per cent of Canadians in the middle class and the working poor? I imagine so.

No, the government could not risk jeopardizing its popularity by offending the wealthy and big business. Forget the small businesses of this country. Forget that most taxes in this country are paid by the middle class.

Once an author and philosopher, John Ruskin, said in his work *Unto This Last, Essay iii*:

> Whereas it has long been known and declared that the poor have no right to the property of the rich, I wish it also to be known and declared that the rich have no right to the property of the poor.

Why does this government not leave the poor what they have, and try to improve the lot of the poor, instead of taking what little they have left?

For 1.5 million Canadians, they no longer think about the problems of income tax, and as likely, property tax is no longer a concern either. Why? Because the government took away their jobs and will probably take away their homes as well through its strictly private marketplace, rules-of-the-jungle boardroom logic. They are unemployed and fearful about the future of their families. To be unemployed and poor in Ontario, Alberta and British Columbia feels no different than being unemployed in any other province, including my province of Manitoba. Poor is poor.

And 54 per cent of these poor people live in the three aforementioned provinces to be affected by this bill. The government calls these provinces rich. Rich compared to what provinces? It is relative. Should every province's greatest aspiration be to have a deficit as well? I worry about the precedent it is setting for the other provinces later on, because this government has an obsession with deficit reduction.

I would just like to briefly call to the attention of the House that the Standing Committee on Social Affairs, Science and Technology in its report of January 1, 1991 on children and poverty, *Toward a Better Future* clearly states that it will invest in our poor children. We will reap fivefold more in 20 years if spending on the poor is not deficit spending but investment in the future of our country.

This is a finance bill, according to the government. At the briefing session held for the opposition, officers from the Department of Finance explained the purpose of the bill, the need for restraint and cautioned: "The government cannot be a good financial steward on behalf of Canadian taxpayers if such transfers were allowed to grow without any restraint".

Where was the briefing from the Department of National Health and Welfare, explaining how, on behalf of Canadians, the government was showing itself a good social steward by forcing this bill through the House? I did not see the minister of health stand to defend this bill. I wonder if he is ashamed of his government. I believe he should be.

He knows he has lashed the burden of the national debt on to the backs of the sick, the youth, the unemployed and the seniors of Canada. It is battered women, forsaken children and all the abused who have been harnessed with the debt. There is no security, no safety, in this place called Canada.

Making the poor pay the national debt has become the life force driving this government.

• (1810)

I would like to conclude by just recalling that on November 24, 1989, almost two years ago, this House of Commons unanimously passed a motion which read: "That this House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000."

I would also like to call to the attention of this House that in 1965, almost 26 years ago, in the Speech from the Throne, the Canada Assistance Plan was one of the five elements in a program designed to abolish poverty in Canada. What have we done today? There is a bill before us to abolish the very basic program that will abolish poverty in the country. That, I think, is the sensitivity of this government. Truly pachydermatous, Mr. Speaker. No social conscience at all. I wish this government would wake up and withdraw this bill.

* * *

BUSINESS OF THE HOUSE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I think you will find a predisposition in the Chamber for unanimous consent to the following motion, which was being worked on for a good part of the day:

> That notwithstanding the Standing Orders and usual practices of the House, that when the second reading debate begins on Bill C-19, an act respecting bank and banking, it shall be deemed that Bill C-28, an act respecting insurance companies and fraternal benefit societies, and Bill C-34, an act to revise and amend the law governing co-operative credit associations, and to provide for related and consequential matters are called jointly with Bill C-19 for second reading debate,
>
> That Standing Order 11(2) be suspended for the duration of the debate,
>
> That the debate be held on the subject matter covered in the three said legislations,
>
> That immediately after Bill C-19 has been disposed of, The Speaker shall put forthwith and successively, without further debate or amendment, all the questions necessary to dispose of both Bill C-28 and Bill C-34 at second reading in that order, and that Bills C-19, C-28 and C-34 be referred to the Standing Committee on Finance.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I thought the hon. member was going to go on and add another paragraph and talk about the reduction of the Prime Minister's salary down to $1, but since he did not do that, I think there might be disposition within our party to give our consent to the contents of this motion.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am also House leader today.

Yes, Mr. Speaker, there has been consultation and we are quite prepared to support this motion. I just want to point out that we are facilitating debate in this House by combining three bills and one would hope that the government will allow those members who wish to speak to do so without resorting to any time allocation or closure.

Mr. Hawkes: Mr. Speaker, I might just respond to my friend that if the Prime Minister were paid by private sector standards for the responsibility and the skill, the salary might be six or seven times as large as he now gets at a minimum.

Mr. Speaker, I think you might also find a predisposition on the part of the House for unanimous consent to the following motion:

> That when the debate collapses on Bill C-32 this day, that the question not be put and that the Chair call it seven o'clock and begin the Private Members' hour debate.

The effect of that, if the House is that way inclined, for all those members who are waiting behind the curtains and other places, would be that there would be no vote today and probably the next substantive vote in the House would likely occur Monday about six o'clock, so members would have greater certitude about the impact of that motion.

Mr. Dingwall: Yes, Mr. Speaker, I, too, wish to give the consent of my party with regard to the second motion. Just to clarify it so that there is no doubt, my colleague from Eglinton—Lawrence, my colleague from Prince Edward—Hastings, my colleague from Ottawa South and my colleague from Halifax will be the speakers who will follow. Then, in accordance with the motion, as read by the chief government Whip, it would then be called seven o'clock with no vote tonight and presumably a vote later, next week.

Mr. Hawkes: Mr. Speaker, it my intention to call the item on Friday morning and, if nobody rises, then we would have the voice vote and a deferral which would then take us through until Monday at 6 p.m.

The Acting Speaker (Mr. DeBlois): Members have heard the first motion *à propos des projets de loi à incidences financières*.

Is there unanimous consent.

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): On the second motion on Bill C-21, is there unanimous consent?

Some hon. members: Agreed.

Motions of Mr. Hawkes agreed to.

* * *

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan, be read the second time and referred to Legislative Committee F; and the motion of Mr. Vincent (p.2536).

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I am sure that you have noticed, as some of my other colleagues have noticed, that over the course of this debate there has been nary an individual who has risen to speak in favour of this bill. It is probably because all of those who are following this debate, both inside and outside this House, must be impressed with the nature of the negative components of this bill.

We are all familiar with the government's stated claim that what it wants to do is address the national debt and the deficit and put the country back on an economic keel that is appropriate for the aspirations and the needs of all Canadians everywhere in this country.

Yet it comes forward with a piece of legislation like Bill C-32, which extends all the negative elements we saw in the last session with Bill C-69 where we put a cap on the Canada Assistance Program.

It highlights just a couple of points that are worth noting. Some of my colleagues from this side of the House, more particularly from my party, have been eloquent, articulate, precise and forceful in the arguments that point to the fact that this is a most unjust bill. It is unjust for a couple of reasons.

First, it indicates that the government is transferring its responsibility for the national debt and for the deficit on to the provinces, and through them on to citizens who are least capable of maintaining the responsibility for that debt.

All members of this House are already familiar with the fact that when this government came to power in 1984 the national debt was high at $170 billion, but today, after seven years of this government, after five years of unprecedented economic growth and wealth and prosperity in Canada, after those kinds of conditions, our national debt stands at well over $400 billion and is approaching $420 billion.

The government is now turning to provinces and residents of those provinces. The government's economic policies in this Parliament turned conditions around to the negative and the disadvantage of all citizens. The government has now decided that three provinces, in particular Alberta, British Columbia and my province of Ontario, must now bear the brunt and responsibility of the government's inefficiencies, inadequacies, incompetence and downright stupidity when it comes to economic policies and fiscal and monetary management in this Parliament.

An hon. member: They do not know what they are doing either.

Mr. Volpe: We are looking at a bill that essentially says that citizens of this country, no matter where they live, used to be equal in the sense that they had the same opportunity of access to government services. They had the same standing before law and they could get the same quality of services for the taxes that each and every one of them equitably paid. Now these citizens from these three provinces are to be treated differently.

Citizenship now has gradations of quality. Citizenship can no longer bring to an individual the same level of services in one province as it will in another.

• (1820)

At one time yes, perhaps Alberta, British Columbia and Ontario might have enjoyed greater prosperity. Not so today, and thank you in large measure, in fact almost exclusively, to the government's policies. We have seen them. We have seen evidence. We have seen enumeration of documentation, of statistics from independent sources, business communities, labour communities, our own Statistics Canada, pointing to the destruction of manufacturing in Canada as a result of the free trade agreement, pointing to the weakening of the national government's ability to deliver programs thanks to the government's spending habits, none of them indicating for a moment a priority which should be working toward

national unity that the government talked about so eloquently over the course of the last two days in its Canada unity package.

How can unity be developed when it has already been decided that through legislation Canadians will be treated differently from one province to another? How can we address unity? How can we talk about responsibility when at the same time we propose a bill such as Bill C-32 that essentially denies the federal government's responsibility when this program was put forward to share equally with the provinces in the cost of basic necessities for all Canadians such as: food, shelter, clothing, utilities and household supplies.

That was a basic principle that is now being eroded with this bill. We already attacked it, aggressively so with Bill C-69 in the last session, and we are doing it more nefariously again with Bill C-32.

My colleagues have already pointed out to government members, who seem to close their ears and their eyes to these sorts of things, that with this bill the federal government will renege on $2.135 billion until 1995 that would normally go to those provinces.

If citizens from three provinces are to be denied what is theirs by law, what is theirs by virtue of their participation in this country, what are we doing to the value of Canadian citizenship? What are we doing to the confidence Canadians have in their politicians, their elected government, to ensure that what is provided for them is the appropriate net that guards them against the vagaries of the economies and the vagaries of a cyclical marketplace? Well, not very much.

The other point I wanted to raise is that as with the other government fiscal and economic policies, and I am being generous now, this one is either ill-timed or wrongly focused. What are we doing? We are asking this House to accept a reduction of moneys designed to provide services that are generally put in place for those least advantaged.

Who are the least advantaged? Some 54 per cent of all individuals who fall in that poorer category live in the provinces that are being attacked by this bill, 54 per cent who would otherwise require the kinds of services that are now going to be cut. Make no mistake about this, what this bill is doing is cutting services such as dental care, essential services for the disabled. It is providing fewer foster homes for abused children, less housing for abused women, and less housing for low income families.

Where is that going to hurt most? You heard my colleague from Willowdale talk about the plight of Ontario manufacturing. Ontario, which used to be a have province, is being reduced to a have not province thanks to the government side. I see a couple of the members and parliamentary secretaries beating their chests, taking credit for the devastation that is being wreaked on Ontario. I think that is shameful, especially shameful because this cap on CAP represents an additional increase in taxes. Who is being asked to pay more? In Ontario alone this bill might represent an additional reduction that will cost Ontario taxpayers an additional $1 billion in this coming year. That works out to about $112 per person or roughly $450 for the average family. Look at the increase in taxation. For those who are lucky enough to have a job, that comes on top of the 25 per cent increase in unemployment insurance last year and an additional 35 per cent in unemployment insurance premiums this year. The fact of the matter is that those who were able to bear the burden of taxation are no longer in such a condition.

We see, for example, and I regret to say this very much, in my own city of Toronto welfare cases have increased by 73 per cent from July 1990 to July 1991. There is an anticipation that it will increase to 250,000 over the course of this coming year. When we are talking about people who are in need, we need not go any further than look at Toronto. The unemployment rate is the highest of major cities. It has doubled since last year, 10.8 per cent this summer; over 226,000 people on unemployment rolls, thanks to this government's economic policies.

They are going to ask these same people to pay more. Where will they turn when their unemployment runs out? To welfare cases again.

I know you are asking me to stop, Mr. Speaker. Let me leave you with these terrible thoughts that should encourage everyone in this House to vote against this bill. In my own riding there are only 20 per cent of the factories still operating. We have lost the manufacturing

sector and we have 85 per cent unemployment in construction.

What we need is a government that gets its priorities straight, focuses its financial responsibilities appropriately and asks those who can pay to pay.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I too want to spend some time in the House this evening talking about this ridiculous bill that the government is going to ram-jam down the throats of this House and the throats of Canadians, Bill C-32, an act to amend the Canada Assistance Plan.

I just want to take a couple of minutes to explain to people what the Canada Assistance Plan is and then I am sure it will become very clear in their minds the false results and the foolishness that the government is carrying on in cutting back on this funding.

The Canada Assistance Plan is a program that assists those less fortunate in Canada to have some of the services that we in Canada are proud to say that up until now we have been able to provide for that unfortunate sector of our society. The program assists provinces on a fifty-fifty basis, up until this bill is concluded by this majority government, for the funding of many of those services.

The Liberals have always opposed the cap on the Canada Assistance Plan, as it is referred to, the cap on CAP. I can tell you that the Liberals will continue to oppose that, because it is not what we in the Liberal Party stand for.

What is happening is the government again is transferring the debt of this country over on to the backs of those who can least pay. I know they say it has been challenged in court. We all know that the British Columbia government challenged it and at the provincial level it won. But the federal government took it further than that and it went to the Supreme Court. At that stage the federal government won.

We can say therefore that what is being done is legally correct. I ask Canadians: Is it morally correct?

Mr. Volpe: Absolutely not.

Mr. Vanclief: My colleague from Eglinton—Lawrence says: "Absolutely not". It is not morally correct.

We brag in Canada about treating all Canadians equally. What is happening with this bill now is back in the 1990 budget the government said that it was going to cap it, that the provinces of Alberta, British Columbia and Ontario were going to get increased funding up to 5 per cent above the previous year but, if there were anything required above that, too bad, those three provinces would not receive anything above 5 per cent. In the other provinces in Canada, if the requirement was there, they would live up to the moral expectation and moral responsibility of the federal government to do that. However, for those three particular provinces there is a cap at 5 per cent.

• (1830)

An hon. member: That's an increase.

Mr. Vanclief: Yes, that is an increase. No question that is an increase but it is not a fair increase to the province of Ontario, the province that I come from, for example—and I will refer to that for a moment—along with others. Ontario has been totally devastated in the last couple of years by hundreds of thousands of jobs leaving our province and hundreds of thousands more people going on social benefits and requiring social packages. That is all because of the actions of this government.

However, there is no ceiling for the other provinces. We as parliamentarians owe it to the other seven provinces to give them a warning that this government now has its toe in the door. Yes, the government has done it legally. It is legally correct, but it is not morally correct. I want to point that out.

Fifty-four per cent of the people in this country who require those social services are in the three very provinces in which the government is capping the increases—54 per cent.

One of the jobs, duties, and obligations of a central government is to collect the wealth from throughout the country and share and distribute it equally throughout the country, or as equally as it possibly can be done. I also point out to this House and to the members opposite that it is not only their duty to do that across the country but a duty and obligation to do that within each province as well. The government is certainly shirking its duty and responsibility.

This money provides such essential services to the poor and low income people as providing and assisting them with dental care, essential living services for disabled people, foster homes for abused children, safe houses for abused women, and subsidized child care for low income families. This is the type of assistance to Canadians that this government is reneging on and is

backing away from. Again I repeat it is shirking its responsibility.

It began on this course in the 1990 budget and said it was going to cap it for two years. Then along came the 1991 budget and the government extended that period. Now it is going continue it until 1995. Take warning, the rest of the provinces in Canada, your time will come. The Tories will do it to you as well. The toe is in the door.

I just want to give few figures before I wind up, to show how this is affecting my riding of Prince Edward—Hastings. I talked to some of the people in Hastings County, in particular, as recently as today and asked: "What is happening? Do we have an increased need for this?" Here are the figures. The increase in welfare rolls in Hastings County from August 1990 to August 1991 was 58 per cent. If we go back one more year prior to that, from August 1989 to August 1991, there was a 91 per cent increase. In the County of Hastings alone, compared to the large city of Toronto, it is not a lot in total numbers. Some 4.94 per cent of the people depend on social assistance for their existence. That is a total of 5,154 people.

The number of unemployment claimants in my area has risen 20 per cent from August 1990 to August 1991. With the changes this government saw fit in its lack of wisdom to put forward in Bill C-21, the changes to the Unemployment Insurance Act, we are seeing more and more people fall off the end of the UI rolls who have to be picked up by the social services roll. That adds to that cost.

We do not need that in Ontario. We do not need this in Canada, and we do not need it for our low income people. The government is being penny wise and pound foolish at a time when we should as a country and as a nation realize the importance of assisting these people, the important resource these people can be for our work force, our places of business and everything else. At a time when we should be investing in them, this government is divesting itself of these people and shirking its responsibility.

This is an absolutely foolish move on the part of the government. We will pay for this as a country, as a nation, and as time goes on.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, I stand here today to take part in this debate on Bill C-32. I think it is appropriate to discuss this legislation today right after the government tabled its proposals with regard to the Constitution of Canada. I believe this bill deals directly with the relations between the federal government and the provinces.

[*English*]

I am uncertain whether this bill is more iniquitous or more deceitful. It is definitely both, but I am not sure which one prevails.

It is iniquitous for many of the reasons my distinguished colleague from Prince Edward county said. It is a cut to those provinces—the three provinces of Ontario, British Columbia, and Alberta—where more than 50 per cent of Canadians in need of social assistance live. It is a cut in real terms, in the sense that it is a limit on the amount of increase that will go to those provinces at a time when the economy, particularly in the province of Ontario, is very weak and has been weak from the beginning of the recession in the second quarter of 1990 until today.

Whether we are technically out of a recession is not the point. In Canada we say recessions start when the curve begins down and they end when the curve begins to go up. Even if a recovery has begun in the sense that the curve is beginning to go back up, we are still far from reaching the point on the curve we were at when the recession began.

We are going to continue to go through a period of time in which many Canadians are going to require social assistance. This is then a particularly iniquitous time to be cutting back on the payments to those provinces where the majority of needy people live.

What I am really unhappy about, as I said a moment ago in French, is that this bill comes at a time when all Canadians are debating some of the very important aspects of our federation. It comes at a time when the strain of keeping Canada together is weighing on all of us involved in public life, both at the federal and provincial levels.

This is a unilateral decision by the federal government to cut back on long established shared cost programs.

Ms. Clancy: Shame.

Mr. Manley: It comes at a time when the need has never been greater partly because of the recession, which was described by the Conference Board of Canada as the first ever made-in-Canada recession and was brought on by the policies of the government opposite.

An hon. member: Nobody else had a recession.

Mr. Manley: My friend from Stratford says that nobody else had a recession. I quoted the Conference Board of Canada. It was not the Liberal Party that said this. Outside economic analysts say that this is the first time that a recession has actually been provoked in Canada by Canadian policies. I might add they were Canadian policies that were pursued particularly in 1989. Why did we have high interest rates in 1989? Because the government opposite pursued a policy in 1988 of attempting to buy an election when growth in Canada was about 5 per cent. It cut taxes. It permitted a much more open monetary policy and the result was high inflation in 1989 and high interest rates bringing on a recession in 1990. What did it do about it? It cut the payments to the provinces for social assistance by capping them at a 5 per cent increase.

• (1840)

Not only is the need brought on by the recession, but at the same time it brought in a program of unemployment insurance reforms which throughout Canada has resulted in many more people being in need of social assistance. Furthermore, it has pursued a completely hopeless policy in dealing with a large number of claimants for refugee status in Canada, which take people who have sought protection by being on our shores, and during the time that they await determination of their refugee status, are unable to work in Canada and therefore have to go on social assistance.

Who pays for that? It is paid for by the municipality with provincial support. As we know, as a result of this bill and Bill C-69 which preceded it last year, the support which was to come to the provinces from the federal government is being capped at 5 per cent, when the need is being generated by the federal government itself.

I think the official title of this bill is an act to amend the Canada Assistance Plan. It should be called the federal transfer of debt act. This is in effect an attempt to confuse the Canadian people into thinking that the government opposite is actually doing something about its deficit and debt problem, when in reality what it is doing is transferring its debt to the provinces.

Then we have the disgraceful performance of the Prime Minister of Canada going overseas, washing our linen before investors in Japan, criticizing the Ontario government, whose policies with which I do not happen to agree, but upon whom the federal government has transferred $1 billion of debt this year alone through this particular cap on CAP.

What the province and the federal government need to do, and I do not think there should be any cause for disagreement about this, is sit down together and make sure that there is an agreement on design and delivery of social assistance. Give the federal government a role in designing these programs so that there is co-operation flowing both ways. Then lock in the commitment to help fund the programs as agreed.

What we have here is the provinces spending federal money, granted without control, without limit, but the federal government cutting back the funds without consultation. No wonder things are not working right.

The transfer of debt to the provinces is not the way to solve any one's debt problem. Last week, we had the Minister of Finance in this House blaming provincial government borrowing for keeping the Canadian dollar as high as it is. Excuse me, but if the federal government, through the cut in transfer payments for post-secondary education and health care and the cap on the Canada Assistance Plan payments is forcing provincial deficits up, how can the Minister of Finance stand up in this House and criticize the provincial governments for borrowing too much? That is why I suggest that this really is as deceitful as it is iniquitous.

This is not an easy time for federations around the world. Canada has an opportunity, by making our federal system work, to be an example for federations elsewhere. My suggestion to the government is this, that they back off this ridiculous plan, and that they go to the discussion table with the provinces and say: "We have a problem, not the federal government, not the provincial governments, but we Canadians have a problem.

Let's find a way to address that problem collectively and co-operatively. Let's find solutions to the issues that confront us; recession, a weak economy, poverty in our cities, crime in our cities and the fact that our biggest deficit in Canada is soon not going to be the financial

deficit which is big enough, but the deficit in wasted human lives and lost hope."

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise to speak on this bill as I have risen to speak on many others in nearly three years as the member for Halifax. I begin my remarks with a sense of disappointment, almost a sense of depression and certainly a sense of gloom.

The Canada Assistance Plan should be one of those programs that applies in all Canadian jurisdictions at the same rate, in the same way and for the same benefit to those who are in need. To put a cap on CAP is to effectively say to three provinces: "The poor people in your province are not as poor as poor people in other provinces."

I am an Atlantic Canadian, which everyone knows. I am a Nova Scotian, which everyone knows. Since we made the collective decision 124 years ago to come into Confederation, a decision that we have never regretted and a decision that we are proud of, we have, as Nova Scotians, seen a steady decline in our prosperity.

There are a number of reasons for that. There are shifts in world economy, there are specific government programs that have worked against the interests of Atlantic Canada in favour of the centre of the country, but I am not going to get into those specifics. Suffice it to say that poverty is not an unknown factor in the Atlantic region of this country. Extreme poverty is sadly not an unknown factor. There are very few people who live in the four eastern provinces of this country who cannot describe poverty on a firsthand basis. Maybe they, themselves, have not been poor—lucky them—but they have seen it, they have worked with it and they have worked against it.

Perhaps it seems odd. In one sense, certain members of the government have tried to say that capping CAP in the so-called have provinces will somehow create more benefit in the have not provinces. That is not what Canada is about, and that is not what members from the other have not regions want. It is certainly not what our constituents want.

We believe in the universality of our social safety net. We believe that one of the sacred trusts, dare I use those words that have been so sadly soiled in the last few years, for the people of Canada is the whole issue of dignity in social programs. To maintain the dignity of those people who must rely upon governments for help, the whole concept of universality is key.

If suddenly three provinces are held to a different standard, to a different amount of money on percentage bases and per capita bases, then that means there are different levels of Canadians. In this time of constitutional crisis, in this time of what we all pray will be constitutional and national renewal, this is something we do not need.

• (1850)

There are not different levels of Canadianism. There are not different levels of citizenship. There may well be different levels of talent and different levels of need and different levels of commitment, but when it comes to access to government services, one Canadian is supposed to be the same as another. To put a cap the CAP in three provinces is to give the lie to that statement.

What is it going to mean in actual practice in British Columbia, Alberta and Ontario? It is going to mean that those provincial governments, faced with the cap over the next five years, are going to have to rob Peter to pay Paul. They are going to have to take from their own provincial coffers for programs that are desperately needed to cover off the need for social assistance.

While we are looking at what this particular pernicious piece of legislation does, we cannot look at it in a vacuum, because there are other things that are happening that are affecting provincial and municipal budgets in this country today that are a direct result of the policies of this government. I refer, of course, to the reforms, and I use that word in its loosest term, to the Unemployment Insurance Act that we saw rammed through in the last Parliament. No one in this Chamber will ever forget it.

What that has effectively done is disembowl the unemployment income insurance program in this country. It has driven people, who in the past, might have been able to tide themselves over through periods of unemployment, particularly in this recession which has seen the highest rate of bankruptcy in the history of this country, and particularly in a recession created in this country by the policies of this government. But that is

gone. Any kind of safety net from unemployment insurance is effectively out the window.

It is certainly out the window in my region and I know it is out the window in parts of northern and eastern Ontario, northern Canada generally, northern British Columbia and northern Alberta. It is certainly out the window in a lot of the major cities such as Vancouver, Calgary and Edmonton and the major cities of Ontario. UI as we know it does not exist any more and all of us who sit in this Chamber are aware of it. Certainly those of us on this side of the House mourn its loss.

What does that do? That again puts extra pressure on hard pressed provincial governments and hard pressed provincial budgets. These governments had a right to expect some sort of stability from a federal government that claims to believe that all Canadians are equal.

We hear again that Ontario, Alberta and British Columbia are rich provinces. In Nova Scotia where I represent the people of Halifax, the poor people are no poorer in the long run than poor people in Toronto or the homeless in Vancouver or poor people in northern Ontario. Poor people are poor people and provincial governments are governments and there is only so much they can do. There is only so much that can be stretched to cover what is necessary for people to survive.

We did not even have time to touch on the whole concept of the dignity of people who need to think that emergency measures such as social assistance and unemployment insurance are there to hold them up and help them. Capping the CAP, like gutting unemployment insurance, is an assault on low income people across this country. It is an assault on provincial governments across this country. It is an assault on municipal governments across this country. It is the federal government standing up and saying: "The Canadian social safety net, the Canadian social contract exists no longer. We now live in a time where you sink or you swim and if you cannot swim, do not look to me for a life preserver, do not look to me for assistance."

This is not what Canada is about. This is not what we were elected and what my colleagues on the other side were elected to do here. This is not the Canadian way. It is not something that any of us can continue to stand for.

Private Members' Business

The Acting Speaker (Mr. DeBlois): Pursuant to an order made earlier this day and to Standing Order 36, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

PUBLIC SERVICE

MOTION TO AMEND THE PUBLIC SERVICE SUPERANNUATION ACT

Mr. Eugène Bellemare (Carleton—Gloucester) moved:

That, in the opinion of this House, the government should amend the *Public Service Superannuation Act* so that any Public Service employee who has lost his or her job on or after January 1st, 1988, as a result of a Public Service downsizing programme, and who had reached fifty years of age and had to his or her credit not less than ten years of pensionable service, would be entitled to receive a pension reduced by the product obtained by multiplying: a) five per cent of the amount of the pension that would have been payable if the employee had been fifty-five years of age at the time of the loss of his or her job b) 55 minus the age of the employee at the time of the loss of his or her job.

He said: Mr. Speaker, I am pleased to ask today that the amendments already submitted in motion M-385, which pertains to the Public Service Superannuation Act, be accepted.

The thrust of my motion is to amend the Public Service Superannuation Act in order to address the plight of people who lost their jobs due to downsizing.

At present, employees aged between 50 and 54 receive a considerably smaller pension than those who are facing the same situation, but who are 55 years old or over.

[*English*]

When an employee in the Public Service becomes redundant due to downsizing and that person is 55 years of age or over and he or she has been employed on a full-time basis in the Public Service for a minimum of 10 years, the Public Service Superannuation Act says: "If at the time he ceases to be so employed and he has reached 55 years of age, has been employed in the Public Service on a full-time basis for a period of or for periods totally

at least 10 years and does not voluntarily retire from the Public Service, an annual allowance payable immediately on his so ceasing to be employed equal to the amount of the deferred annuity referred to in clause (a), reduced by the product obtained by multiplying: (1) 5 per cent of the amount of that annuity, by (2) 30 minus the number of years to the nearest one-tenth of a year of the pensionable service to his credit".

In other words, if a person is between 60 and 65 and is laid off from the federal government, he or she receives a full pension. A laid off employee who is between the age of 55 and 60 receives a pension reduced by 25 per cent or what he or she would receive at 60 years of age.

The act continues with this statement: "except that in any such case the whole or any part of the reduction provided for by this clause may be waived by the Treasury Board".

It is my understanding that Treasury Board has used this waiver in some cases when the person affected was 55 years of age or over.

• (1900)

[*Translation*]

People who are laid off from the federal government see their pension reduced unless there is a waiver from the Treasury Board.

[*English*]

The reality of current government practices is that many people under the age of 55 are being laid off through no fault of their own. Statistics which were obtained by my office for the period January 1, 1990 to December 31, 1990 indicate that a total of 357 employees who had been appointed under the Public Service Employment Act to indeterminate and permanent positions lost their jobs in that calendar year. Of these, 60 were over the age of 55 and 31 were between the ages of 50 and 54. The other 266 employees were 49 years of age and under.

[*Translation*]

The riding I represent has no less than 10,000 people who declared, during the 1986 census, that they worked for the federal public service. This is one of the largest concentration of civil servants in a given region of the country.

Consequently, Mr. Speaker, people in my riding are going to be particularly affected by downsizing by contracting out, by relocation and other measures that the government chose to impose on its civil servants.

[*English*]

The case must be made here for those people 50 years of age and over. Unfortunately, society is not totally accepting of the re-employment of people in that age bracket. It is neither a pleasant nor a seemingly fair statement, but it is true.

Employment centres and private consulting firms, such as Casey and Associates Business Centres Limited, located in my riding, are faced with this reality each day. The owner, Fernande Casey, at 53 years of age a senior executive with the federal government who had 28 years experience, was the victim of this outdated legislation. Her only recourse was to accept a reduced pension or engage legal counsel to try to waive the penalty to her pension. It cost her thousands of dollars, months of anguish and considerable personal suffering. She now assists and counsels numerous former public servants in coping with this economic impact. She is frequently bringing to my attention the harsh reality that many of her clients face. After dedicating one's adult years to the Public Service, the shock and reality of layoff and the uncertainty for re-employment is devastating for many of her clients.

Her challenge begins with building their confidence, and then finding employment. She is quick to point out that most of her clients are former public servants, 50 to 60 years of age, an age group that is not particularly attractive to many employers and with skills that are not easily transferred from the public to the private sector. Where does a former public servant who has specialized, say, in staffing or in preparing ministerial briefing notes look for employment in the private sector? Jobs are extremely difficult to come by in Canada's present economy for the young, let alone for the grey culture.

After dedicating ones adult years to the Public Service, what a shock it must be—I repeat, Mr. Speaker—what a shock it must be to arrive at work to the reality of a layoff and the uncertainty of re-employment.

In October 1990 I asked the President of the Treasury Board to provide me with statistics concerning people in the age 50 to 54 category who had lost their positions in the Public Service because of the government's downsizing policy. Treasury Board's answer to me was as follows: "Since February 1, 1990, 149 employees in the age category 50 to 54 have been laid off from the Public Service. Of this number, 36 have been reappointed to the Public Service.

[*Translation*]

Thirty-six people only succeeded in finding another job in the Public Service.

The private sector might have hired about the same number. So that leaves two-thirds of the employees out of jobs.

[*English*]

Should these laid off employees between the ages of 50 and 54 be forced to take their pension, they are dealt with in the Public Service Superannuation Act as follows: Section 13(1)(c)(2)(d) states that their annuity will be deemed as being the same as for those who are aged 55 and over, with a reduction of 5 per cent of the total amount of the pension for each year between the ages of 50 and 60.

What this amounts to is a further reduction of 25 per cent in benefits between those received by an employee who is laid off at 50 and one who is laid off at 55. Specifically, a laid off employee who is 55 has his or her pension reduced by 25 per cent for five years. One who is between 50 and 54 has his or her pension reduced a further 25 per cent, for a total reduction of 50 per cent.

All of these calculations take into consideration that each has at least 10 years of pensionable employment.

[*Translation*]

With my resolution, I want to try and correct this situation through amendments to the Act. Consequently, Parliament should recognize that an employee should not be subjected to actuarial reduction if he loses his job through no fault of his own. The *Public Service Superannuation Act* stipulates that a Public Service employee who has reached fifty years of age and has to his credit ten years of pensionable service is entitled to a pension. Parliament should not be guilty of age discrimination towards a group of employees. By reducing their pension, we are punishing these employees and making their situation worse than it is now.

[*English*]

In June 1990 the House of Commons passed Bill C-52, an act to amend the Income Tax Act and related acts. Regulations made pursuant to the bill clarify in general terms provisions for all Canadians who wish to receive early retirement benefits. Specifically, this bill, C-52, requires that there be no reduction in the amount of early retirement benefit in a registered pension plan if the individual receiving the benefits qualifies in law as pensionable.

I wish to remind this House that the Public Service Superannuation Act does in fact provide for pension benefits for 50-year-old laid off employees with at least 10 years of service, and, as such, these employees are considered to be individuals qualifying in law for early retirement benefits.

In the eighth report of the House of Commons Standing Committee on Finance, tabled June 7, 1990, an agreement was reached between the committee and the Department of Finance regarding modification of the proposed regulations. Concerning early retirement, it was suggested that "there be a provision in the regulations allowing consideration of payment of pensions at an earlier date without actuarial reduction to members who are retiring because of automation, plant closure or downsizing."

Again, in July 1991, the Minister of Finance released draft amendments to the income tax regulations which provided for special benefits for individuals in both the private and public sectors who are terminating employment as a result of a downsizing program that has been approved by the Minister of National Revenue.

[*Translation*]

Mr. Speaker, I am only going to all this trouble to show how Parliament reacted to the phenomenon of early retirement. I also want to draw your attention to the fact that, even if most provincial civil servants are entitled to early retirement at age 55 without any reduction whatsoever, in some provinces, such as in British Columbia, Alberta, and Saskatchewan, for example, given specific circumstances and for a limited time, like through a

down-sizing period, laid-off employees are entitled to early retirement without any reduction.

In Saskatchewan, that applies to laid-off employees as well as civil servants affected outside of Regina. Again, Mr. Speaker, I am pointing out those precedents so that this House recognize the realities Public Service is faced with in the 1990's, when finding how other jurisdictions have solved the matter.

• (1910)

Nobody could anticipate the circumstances we are now in when the Public Service Superannuation Act was first passed by Parliament.

[*English*]

I conclude with the following example of the pension benefits of one of my constituents who was forced to retire because of downsizing in the federal Public Service. This gentleman chose a pension when he was age 50. Consequently, his pension was reduced by 5 per cent a year until the age of 60; that is to say, 5 per cent times 10 years equals a 50 per cent reduction of his total pension.

Had this gentleman been age 55 at the time of lay off he would have received the maximum amount. He wrote to me, and I quote: "My feeling is that the eligible people in this group with at least 10 years service should only have their benefits reduced from the age 55, not 60, as is the current practice. This would mean that I would receive 75 per cent of the maximum amount, instead of the present 50 per cent".

We must act fairly. As a result of the government's policy of downsizing, a segment of its employees are experiencing financial penalty. This can be rectified by acceptance of my motion and amendments to the Public Service Superannuation Act.

I call upon the government to recognize that the act requires amending. This should be accomplished quickly so that when the full effects of Public Service 2000 are felt employees in the 50 to 54 years of age category are not further disadvantaged.

[*Translation*]

We must act fairly. We must recognize the quality with which public servants discharge their numerous and important tasks. Our attitude in our work relationships with the Public Service will reinforce the benefits of PS-2000. And we will know that employees having to leave the government between the ages of 50 and 54 will not be further disadvantaged.

[*English*]

Mr. Sid Parker (Kootenay East): Mr. Speaker, I would like to commend the member for Carleton—Gloucester for presenting this Motion M-385. As the New Democratic critic for pensions I fully endorse the proposal put forward by the member.

So we are clear on what we are talking about here, the motion states:

> That, in the opinion of this House, the government should amend the *Public Service Superannuation Act* so that any Public Service employee who has lost his or her job on or after January 1st, 1988, as a result of a Public Service downsizing program, and who had reached fifty years of age and had to his or her credit not less than ten years of pensionable service, would be entitled to receive a pension reduced by the product obtained by multiplying:—

The member uses the 5 per cent formula at the age of 55. Downgrading it from the age of 55 to 50 would in fact be treating them the same way as someone reaching the pension at age 60 and downgrading it to 55. I had in my riding a person working for Parks Canada who has experienced the very thing we are discussing.

He is below the age of 55. Parks Canada is downsizing. He was called in and told that he would be eligible for a payout and he would be eligible for his pension rights. He accepted the proposal, took his leave, and waited anxiously for his payout and his pension. After a short period of time he was notified that he did not qualify for the pension and he did not qualify for the payout. He was left completely out.

I have a situation—and this is not a public servant but we are talking about a Crown corporation—in the post office. A senior person, not represented by a union, was six months from the date of receiving her pension, of qualifying for her pension, and Canada Post phased out the post office.

They came in and offered her a buyout. They gave her $16,000 as a buyout. Not even the private sector would have treated this employee that way. It would have carried her for the six months so that she could at least qualify for her pension. They bought her out for $16,000. She then transferred that money into an RRSP figuring that she would have to protect her pension rights.

Then she went down to the unemployment insurance office to claim unemployment insurance and found out that she did not qualify for unemployment insurance because she had been bought out. This person not only lost her pension but she lost her unemployment insurance. That is what is happening.

When downsizing is taking place this government must be held responsible. This government must be held responsible for the public servants, and I do not think this bill has gone far enough. I want to say to the member that I support his bill fully.

In my view, in this case because of the 10 years this employee has received there should be no penalty. There should be no penalty whatsoever. The government, being the employer, should be the one who should have to offset that for the five-year period to ensure that the employee receives an equitable pension.

Five years from now when this takes place and the employee reaches the age of 55, the cost of living and the various things which will have taken place will impose a tremendous penalty on this public servant. It will not be his or her fault.

Certainly, he or she is not going to be able to go out. The government says they can transfer their pensions from one area to another. The member has rightly said that at age 50 or above it is very hard to find employment.

The employer has a responsibility either to find another location for that employee to ensure that he or she can reach pensionable age or find a mechanism such as the member has put forward. This change is long overdue and I would urge the government to consider it because of the policies it is bringing in.

I do not agree with some of the changes the Conservatives are talking about with regard to PS 2000 and other programs. For goodness' sake, if they are going to start changing and downsizing then they must take a look at the over-all Superannuation Act and how it affects these employees or bring in some type of training for these people who are let go because of downsizing so that they can carry on in another area.

That is not happening. The sad thing is that we are going to see more and more of this take place. The member's timing is right on. I would urge the government to consider this and let this bill come back, be debated and introduced into legislation.

If it does not we are going to be faced with problems for the social programs. Why should we go through this when the people qualified with their 10 years and when they have carried out their duties for that length of time. Many of them might be between the ages of 50 and 55. They are not all 50. We have a period of five years to find some mechanism to ensure that these people are not going to be left out of their pensions because of the actions of the government.

I urge the government to allow this bill to proceed and to encourage this type of mechanism so that employees who have worked for us for many years will receive a decent pension and not be left out, so that they will be able to carry on.

I fully support the member's bill.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am happy to address the substance of the motion today.

The intentions of the hon. member for Carleton—Gloucester are praiseworthy because the motion's aim is to ensure the financial security of former and present Public Service employees whose employment has or will be lost as a result of downsizing of the Canadian Public Service. As I understand the motion, it proposes that the Public Service Superannuation Act be amended to alter the way in which the pension benefits will be calculated for employees who are at least 50 years of age and have 10 or more years of pensionable service and who have lost their Public Service employment as a result of a layoff or downsizing in their area of work.

• (1920)

For employees in such circumstances, the pension benefits would be calculated by reducing the pension which would be payable at age 55 by 5 per cent for every year that the employee's attained age is less than 55.

I assume first of all that by virtue of the proposed formula anyone whose employment has been terminated under these circumstances and who has already reached 55 years of age would not have any reduction in pension. Basically, this is what happens now under the existing terms of the Public Service Superannuation Act, although Treasury Board approval is required in each case.

There is, however, one difference between the existing superannuation legislation and the proposal in the motion, and that is with respect to the service requirements which an employee needs to qualify for the benefit.

Under the present law, to qualify for a waiver of pension reduction an employee must be at least age 55 and have 10 or more years of employment in the Public Service. Under the motion this requirement reads 10 years of pensionable service.

Pensionable service under the Public Service Superannuation Act is made up of a variety of kinds of service, not all which needs to be with the Public Service of Canada. If, for example, an employee has imported pension credits from an outside employer, under the terms of a reciprocal pension transfer agreement those pension credits are considered to be pensionable service.

Under the proposed amendment being discussed today, as the motion is worded a person could have 10 years of pensionable service and qualify for an unreduced pension, even though almost none of it was employment in the Public Service of Canada.

To use another example, the Public Service Superannuation Act does not yet permit the accounting of service where an employee regularly works fewer than 30 hours per week. An employee could have worked in the Public Service for 10 years but, if some of that employment was on a part-time basis, he or she would not qualify for the benefits under the proposed wording of the motion today.

I would therefore argue that in the terms of qualifying for special treatment on layoff or downsizing, the existing criterion of requiring 10 years of employment rather than 10 years of pensionable service is fair since it recognizes actual employment in the Public Service, either full or part-time, as opposed to pension credits which can be transferred to the superannuation plan from an outside employer.

The proposal's application to employees over age 55 seems relatively straightforward. However, in the case of employees between ages 50 and 55, it is not completely clear to me how the proposal is intended to operate. The motion proposes that eligible employees receive a pension reduced by multiplying the number of years that the employee is less than age 55 by 5 per cent of the amount of the pension that would have been payable if the employee had been 55 years of age at the time of the loss of his or her job.

Does the hon. member, in referring to the pension that would have been payable if the employee had been 55 years of age, mean a reduced or an unreduced pension? Under the Public Service Superannuation Act, at age 55 only those public servants with 30 or more years of pensionable service would be entitled to draw an unreduced pension.

Employees at age 55 with fewer than 30 years service would be entitled to a reduced pension. For example, if an employee was laid off at age 52 with 26 years of service, under the existing law he or she would be able to receive an immediate annual allowance reduced by 20 per cent. Under the formula proposed in the motion, because of the way the PSSA operates the same individual at age 55 would still have a 20 per cent reduction. The motion would require that this reduced pension would be further reduced by 15 per cent because the employee is three years younger than age 55.

It is possible that the hon. member means to propose that in the above example we are to assume that the employee would also have three more years of pensionable service by age 55, in which case his or her pension would under the existing terms of the Public Service Superannuation Act be reduced by only 5 per cent.

If we were to take this 95 per cent pension and reduce it further by 15 per cent as proposed under the formula set out in the motion, we end up with a pension benefit very close to an amount which is provided under the existing arrangement under the Public Service Superannuation Act.

The employee in this example would receive 81.5 per cent of his or her unreduced pension under the proposed formula instead of 80 per cent under the present terms of the Public Service Superannuation Act.

For the employee who does not have more than 25 years of service at the time of the layoff, the situation is marginally better. At age 52, with 15 years of service, an employee's reduction under the existing Public Service Superannuation Act would be 40 per cent. This means a 60 per cent pension would be payable. By age 55, the reduction would be only 25 per cent. Under the proposed amendment that 75 per cent pension would then be reduced by a further 15 per cent so that the employee

would receive 64.5 per cent of his or her unreduced pension.

This example, as in the earlier one, is not clear whether the hon. member proposing the motion intends that service be imputed to employees covered when he refers to the pension that would have been payable if the employee had been 55. If that is the case, then the proposal becomes costly and would in fact be unacceptable under the newly revised income tax provisions and the regulations governing tax assisted retirement savings.

Under a defined benefit pension plan such as the Public Service Superannuation Act, pension credit cannot be given for service which does not actually take place. If the hon. member is assuming that at age 55 all Public Service pensions should be unreduced, we would be looking at an extremely costly proposal since it would be in effect lowering the retirement age under the pension plan. Such a proposal would be so far out of line with private sector practice as to be unacceptable.

Turning to the retroactive nature of the proposed motion, it would be quite unusual to provide pension improvements on a retroactive basis at all, much less to cover a period of almost four years. Prospective pension changes are the norm because of the liabilities associated with such improvements as well as the administrative complexities of recalculating benefits and making retroactive adjustments in the case of the active pensioner and the survivors of any who have died.

In conclusion, I must report to the House that the motion is technically flawed and its exact application is not immediately clear. If it is to improve pension arrangements for persons laid off between the age of 50 and 55, it needs to be recast to accomplish the objective. Nevertheless, it is the case that the existing pension arrangements are already relatively generous and although they favour the older worker, that is so because of the difficulties older workers face obtaining other employment after being laid off from the Public Service.

In the case of somewhat younger workers, the reduced pension is available to supplement their incomes in the event that subsequent employment is not obtained at a comparable salary to their Public Service earnings.

Public Service pensions are, as members know, indexed to the cost of living.

• (1930)

Hon. members may also wish to bear in mind that the public servants receive severance and other benefits under the work force adjustment policy so that they are treated fairly in relation to their private sector counterparts who find themselves in similar circumstances.

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, I too would like to commend the hon. member for Carleton—Gloucester for bringing this matter to the attention of the House and for the proposal he has put forward in regard to this matter and also for the example of the employee with the parks service.

However, before the government would table such a bill I would submit that the proposal would have to be explained thoroughly. I am sure that the President of the Treasury Board would want to have the views of his advisory committee on the matter.

Quite apart from the specific proposal that is in front of us, I think that this House should consider the merits or otherwise of proceeding with a single change to the pension plan for public service in advance of a comprehensive public sector pension reform package. I believe the whole matter should be looked at. I am sure individuals would agree that if there is a change made in this particular area it may impact in another area we are not completely aware of and perhaps provide a penalty to some other individual.

I believe that members are well aware that work has gone on for some considerable time on changes to the federal Public Service statutory pension plans. In fact, I understand that the President of the Treasury Board hopes to be presenting a reform package to the House in the near future.

The impetus for reform, in fact the need for reform, comes from a number of sources. For example, in the various studies which followed the coming into force of section 15 of the Canadian Charter of Rights and Freedoms there were a few areas where the government made a commitment to consider the matter in the context of pension reform.

While some of these matters were dealt with in the so-called "remarriage bill" which was enacted by this Parliament in June 1989, there are still a few matters needing attention in the whole area of pension reform.

While I am not sure that this is a strict section 15 issue, one of the items which stems from the *Equality for All* report of the parliamentary committee on equality rights is the problem of providing for the division of pension credits on marriage breakdown. This is one particular area about which I am sure many members of this House have also had constituents come in and make complaints or ask for reforms to be made.

Under the current statutes there is no provision to pay pension benefits to anyone other than the plan member or the member's surviving dependants except in response to a court order for family maintenance. This last order is provided for under the Garnishment and Pension Diversion Act which is limited to situations where the non-member spouse is entitled to maintenance under a court order.

The Garnishment and Pension Diversion Act does not apply to situations where property, that is family assets, are being divided. I am sure many members have received representations, as I have mentioned, from former spouses of public servants that the pension plan should be amended to accommodate court order division of pensions as part of an equalization of family assets on marriage breakdown. Obviously this is a matter that should be looked at.

Another very important pressure for pension reform is the Income Tax Act where recent changes instituted a fair set of rules for tax relief granted in respect of contributions to pension plans. The Income Tax Act and its regulations now set out the maximum benefits that a pension plan can provide and still have a registered status. Only contributions to a registered pension plan are tax deductible. We recognize that employers may want to make income arrangements for retired employees that exceed the registered pension plan limits, but the tax act does provide for retirement compensation arrangements.

The tax treatment of retirement compensation arrangements is different from the treatment of registered pension plans.

I really do not want to go much further into the new tax rules for retirement savings. However, I do want to emphasize that there is a new system which all private pension plans must adhere to. I think that members will agree that it is important that federal Public Service pension plans be structured in compliance with the current Income Tax Act requirements.

Yet another pressure for reform of federal public sector plans is recognition of the requirements of the Pension Benefits Standards Act, 1985.

The statute which was enacted applies to all pensions provided by an employer engaged in a federal undertaking. However, it specifically does not apply in respect of pension plans related to employment in right of Canada.

While the Income Tax Act, because it has to do with a fair allocation of the tax burden, is concerned with the maximum benefits a pension plan can provide, the focus of the Pension Benefits Standards Act has more to do with the protection of persons who are members of pension plans. The carrying out of this protection is done by regulating a wide range of matters, including funding and investment, the trust nature of pension funds, plan members' rights to information, joint employee-employer committees, protection of plan members in cases of sales, acquisitions and mergers, and a prohibition against retroactive reduction in accrued benefits.

The Pension Benefits Standards Act of 1985 also sets out minimum requirements in terms of what a pension plan is to provide. These minimum requirements extend to matters such as maximum waiting periods for membership, coverage of part-time employees, two-year vesting and lock-in, that is the right to a pension benefit, maximum rate of interest on refunds of contributions, guaranteed portability options, access to a pension upon early retirement, and minimum pre-retirement and post-retirement survivor benefits.

As hon. members know, the public sector pension plans are good, solid and fair plans. However, while the plans do exceed certain of the minimum requirements of the Pension Benefits Standards Act, there are some of the requirements which are not met.

Pension reform should address any non-compliance with these requirements which are imposed on private pension plans in the federal sector. The foregoing relates more or less to the external pressures for pension reform. I think hon. members are also well aware of the many internal pressures for action, including, of course,

an early retirement program for correctional service employees.

The point I wanted to make by this survey of the pressures for reform is that it does not seem prudent or efficient to move on a single issue in advance of a major reform package. In terms of the thrust of the motion itself, both the Income Tax Act and the regulations and the Pension Benefits Standards Act have something to say about early retirement. It is obvious that any change should be assessed in the context of parliamentary directions to private pension plans.

There is a broader issue too, namely, the possibility of constraining any future redesign of the pension plan which would take into account all of the reform pressures.

In short, Mr. Speaker, I think it is premature to consider this motion on the eve of the presentation of a total pension reform package, and the items I mentioned should be considered in this entire package.

Again, it is noteworthy that the member has brought this particular matter forward. We have had examples cited to us. There is obviously something that should be done with regard to Public Service pension plans in these matters, but it should be done in the context of a total reform package. I am sure the hon. member will be pushing the President of the Treasury Board to put that reform package in front of Parliament just as soon as possible.

Mr. Doug Fee (Red Deer): In following up on the comments of my colleague who just finished speaking, I am certain the hon. member from Carleton—Gloucester will be pushing Treasury Board for changes. I am sure there are many of us who will be also standing with him to encourage some of those changes. I would like to commend him for his interest, his compassion and his feeling for the employees of the federal government. I think it is commendable and it is something that we all are interested in.

I had the opportunity this summer to meet with members of the superannuates association in Red Deer. They outlined to me the history of negotiations they have had with Treasury Board, some of the concerns that they have been expressing to different governments over many, many years. They have a lot of concerns they are hoping will be addressed at the same time.

I would like today to comment on the motion before us in the context of the already generous early retirement provisions in the Public Service Superannuation Act. While the government and each one of us here recognizes that there is always room for change and improvement in any scheme, the existing early retirement arrangements under the act already go a long way toward meeting the needs of Public Service employees.

The Treasury Board as the employer is apparently satisfied that when older workers must leave the Public Service work force before reaching retirement age, they have adequate and fair pensions and some flexibility in their pension options. Mr. Speaker, you know as I do that Treasury Board has the responsibility to evaluate employee benefit programs, to ensure that the employees are fairly recompensed and that their benefit plans are adequate.

• (1940)

We as members also have a responsibility to government employees and we have to balance that responsibility with another one that we have to the Canadian taxpayer. We have also got a responsibility to those superannuates who are already on pension and no longer working for the government.

As has been mentioned, the present plan is under scrutiny. It is also under scrutiny by the private sector. Many of them are looking at it jealously. In comparison to many of them, it is a generous program.

For the benefits of the members of this House who are not aware of some of the current conditions, I would like to briefly go through the retirement benefits that are in place now and available to public servants under the existing pension plan.

To begin with, public servants' normal pensionable age is 60. Thus, any public servant who has at least five years of pensionable service and has reached age 60 is entitled to an immediate pension. This pension will be calculated on the basis of 2 per cent of the plan member's average salary over his or her highest six consecutive years of service.

For those members in the House who are listening and notice, I should perhaps expand on that. The individual who has worked for only five years, I am told, will have his pension based on the average of the total service, not

on six years, because of course they did not have enough service for that.

The typical employee though does not start work for the federal government at age 55. Many, many start much younger. The Public Service Superannuation Act contains special early retirement provisions for employees who have reached at least age 55 and have 30 or more years of pensionable service. These people may retire on an unreduced pension. It is a pension based on the same formula as I just described for normal retirement; that is, 2 per cent per year of the average salary times years of service.

There has been much talk about retirement age in the last few years. I should comment that for pension plans age 65 is still the most widely accepted normal retirement age under employee sponsored pension plans in Canada. According to the 1988 StatsCanada study of pension plans in our country, 90 per cent of all pension plans covering 80 per cent of the total membership in those plans still provide for normal retirement at age 65.

I should like to point out as well that not only does the Public Service Superannuation Act provide for a relatively earlier normal retirement age, but it also provides for relatively earlier special retirement provisions. Special early retirement provisions exist in only a small percentage of Canadian pension plans. Where they do, age 60 is the most frequent age of entitlement and 30 years of service is the most common minimum period.

In terms of early retirement provisions, that is, provisions for reduced pensions in situations where employees leave the workforce before having reached age 60 or age 55 with 30 or more years of service, the Public Service Superannuation Act provides two benefit formulae for calculating pensions. The formula used depends upon the pensionable service credit which an individual has to his or her credit on retirement and the contributor's age.

The normal retirement formula for any plan member who has reached age 50 is to reduce the pension which would be payable at retirement age. For those in the business of employee benefits, this reduction is normally called a deferred annuity. It is 5 per cent per year for each year that the employee's age is less than 60 years. At age 55 an individual's pension would be reduced by 25 per cent, that is the age difference of five years multiplied by 5 per cent to equal 25 per cent.

Using this formula at age 50 the individual's deferred annuity would be reduced by 50 per cent. This formula roughly equates to an actuarial reduction. Such a reduction takes into account the fact that a retirement pension which begins to be paid earlier than at normal retirement is paid over a longer period of time. Accordingly, it should be reduced to take into account that longer period of time over which the payments are spread as compared to the payment period for a pension which is deferred until the plan member reaches retirement age.

Actuarial reduction is quite a mouthful. It simply means, as they have said here, that they anticipate or expect that everybody is going to live to a certain age and should you retire early, they are going to reduce your pension by an amount so that you will collect approximately the same amount of money should you live to be the same age as the average Canadian.

There is a second formula in the Public Service Superannuates Act which gives an advantage to employees with long service. Long service is recognized in employees who have 25 or more years of service and have reached age 50. In those circumstances, a pension would be reduced by the greater of 5 per cent for each year that the employee's age is less than 55, or 5 per cent for each year that the employee's pensionable service credit is less than 30.

For example, an employee aged 52, with 29 years of service would receive a pension equal to his or her deferred annuity reduced by 15 per cent. That is the greater of the reduction done by age, because 55 minus 52 is 3 times 5 per cent, which would equal a 15 per cent reduction.

Of course for the person with 30 years of service minus 29, which would have been a 5 per cent reduction, because it was the greater, it is reduced by 15.

Under this same formula an employee aged 50 or more who leaves the workforce with 25 or more years of pensionable service would have a maximum reduction of 25 per cent. In other words, the employee would receive 75 per cent of his or her deferred annuity. This compares, of course, to the person without the long service

award who would in the same situation see his pension reduced by 50 per cent.

There is, as some hon. members might know, one more special retirement provision which completes the retirement package for Public Service employees. I refer to the provision whereby the Treasury Board can waive the early retirement reduction or penalty, as it is sometimes called. The Public Service Superannuation Act sets out those conditions. The employee must have reached age 55, must have at least 10 years employment in the Public Service and must retire on an involuntary basis. Since this provision was introduced in 1971, it has been applied in many individual cases of layoff or where a Public Service employee's position has been declared redundant.

However, in recent years the Treasury Board has gone further and has given pre-approval in principle to the waiver of pension reduction in any case where an employee has been declared surplus under the terms of the Public Service Workforce Adjustment Policy.

This means that eligible older workers who lose their employment through workforce adjustments or downsizing exercises will not actually have their pensions reduced, even thought they have not reached age 60 or met the 55 with 30 years service thresholds.

I might finally add that all early and special retirement pensions are indexed under the Supplementary Retirement Benefits Act from the year following the year leaving employment. This immediate indexing provides an invaluable measure of security for employees who leave the workforce in advance of reaching retirement age.

As I said earlier, it is an easy matter to devise better pension arrangements. The difficulty lies in paying for them. Among the most costly of pension improvements is lowering the age at which unreduced pensions are paid. Given the already generous pensionable ages under the Public Service Superannuation Act and the fact that the proposal we are debating would fall into the category of the more expensive kind of improvement, it is difficult for me to support today's motion. Even though it would apply to a relatively small segment of the Public Service pension population, it would still be viewed as excessive by members of the private sector workforce, many of whom have either no pension coverage at all or have less comprehensive coverage. I believe that our Public Service pension arrangements must be kept in line with those of other Canadian employers.

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, a significant part of the discussion that is going on here this evening is rather dry and boring. It is unfortunate that it is hard to liven up a debate such as this. I do appreciate the efforts of all of those involved in the debate this evening, but once again, it is pretty hard to liven up some of the cold figures that are brought forward.

I know I have limited time and I have quite a prepared presentation to make this evening. It is my hope that if this debate is renewed that those involved with the debate will inform me so that I can come before the House and possibly continue the presentation if I am not able to complete it this evening. It is unfortunate that when the speaker's list was put up there was not a little more consideration with respect to the information of which I am in possession of. There is a little bit more history, and quite possibly by presenting the history preceding the other debate it would be more valuable to those with us this evening.

• (1950)

The Public Service Superannuation Act covers approximately 308,000 Public Service employees and sets out the terms of their pension coverage. At the present time, full unreduced pensions are payable under the act when a plan member reaches age 60 with at least five years of pensionable service to his credit, or at age 55 with 30 years of pensionable service, or at any age if retirement is due to disability, provided that the person has completed at least five years of pensionable service.

The act also provides reduced early retirement pensions, known as annual allowances. This means that any plan member with at lest five years of pensionable service can retire as early as age 50 and immediately start to receive a pension. However, the pension that is payable is reduced by 5 per cent for each year that the plan member is less than the age of 60, which means that the maximum reduction is 50 per cent.

This reduction is made and is indeed necessary under the costing arrangements of the act to reflect the longer period over which that early pension will be payable. The reduction for plan members who retire at age 50 or with 25 or more years of pensionable service is related either to age 55 or to 30 years of pensionable service, rather

than age 60. The maximum reduction possible is 25 per cent, rather than 50 per cent.

In cases of layoffs the Treasury Board may waive the reduction provided the plan member is at least age 55 and has a minimum of 10 years pensionable service to his credit. This provision was introduced by way of an amendment to the act in 1971 and was rendered more generous by a Treasury Board decision of July 1987 that makes the waiver of reduction more or less automatic where employment is lost due to downsizing.

The amendment proposed by the hon. member for Carleton—Gloucester would mean that in such cases an annual allowance would be payable up to five years earlier than it is at the moment. As well, although the potential maximum reduction of 25 per cent would remain the same, logic would dictate that the existing waiver of reduction policy should be extended to cover the new arrangement.

The consequent payment of a pension over a longer period of time starting at age 50 rather than at age 55 would result in increased cost with the size of that increase directly related to the number of pensions being paid out under these circumstances. These are costs which would have to be paid for by active plan members and the government, as the employer, and could result in increased contributions. With their contribution already equal to 7.5 per cent of their salary, any increase, however small, might not be well received by plan members.

I would just like to remind the House that a change in design, which this proposal is, would be more effectively achieved by the Public Service pension plan reform process than through an amendment to the act since the government has indicated its intentions to introduce a Public Service pension reform bill this autumn. Until this bill is tabled, any impact it may have on the early retirement features of the current plan cannot be assessed. I will, however, remind hon. members that a previous Public Service pension reform initiative, Bill C-33, which died on the Order Paper when the last federal election was called, would have brought considerable changes to the Public Service pension arrangements.

This is not the appropriate time to describe all the proposed changes, but I would like to indicate that the financial and accounting side of the plan would have been revised to observe more closely the requirements and constraints imposed by the government on other employers and to enhance the financial security of the Public Service arrangements.

The cost for post reform service would have been shared equally between the government, as employer, and plan members with benefits being fully funded as they were earned.

A joint employer plan member Pension Management Board would have been established for the Public Service to permit any plan member involvement in the operation of the pension plan and to reflect the equal cost and risk sharing of the new arrangements.

The Pension Management Board would have significant input on the plan design. It was to have six months from its appointment to report to the President of the Treasury Board on its recommendations for the changes to be made to the Public Service pension plan to bring it into line with the standards and practices required of other employer sponsored pension plans.

These changes would then have formed a basis for phase II of Public Service pension reform. I think then that hon. members can see that the Pension Management Board would have looked at each and every element of the Public Service pension plan. It would have been able—

The Acting Speaker (Mr. DeBlois): Order please. The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

The House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 7.55 p.m.

HOUSE OF COMMONS

Thursday, September 26, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

TABLING OF DOCUMENT "CANADIAN FEDERALISM AND ECONOMIC UNION: PARTNERSHIP FOR PROSPERITY"

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, pursuant to Standing Order 32(2), I have the honour to lay upon the table copies of the document *Canadian Federalism and Economic Union: Partnership for Prosperity* in both official languages.

* * *

VETERANS AFFAIRS

MEDALS FOR KOREAN WAR VETERANS

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, there is a motion of mine standing on the Order Paper, Motion No. 383.

It calls upon the government to institute a medal for Korean war veterans which it has already done. I would ask leave of the House to withdraw the motion and its discharge entered in the *Votes.*

Madam Deputy Speaker: The House has heard the request of the hon. member. Is it the pleasure of the House to accede to the member's request?

Some hon. members: Agreed.

Motion withdrawn.

* * *

PETITIONS

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have two petitions to present this morning.

The first one, signed by Canadians from Nova Scotia, New Brunswick and Quebec, calls upon Parliament to support the NDP plan to restore VIA Rail services which were cut on January 15, 1990, to maintain and where appropriate upgrade remote services on which many Canadians rely, provide a legislative mandate for VIA Rail and make available to VIA the resources which it needs to become a modern passenger rail system in a class with those throughout the rest of the western world.

• (1010)

BALTIC STATES

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have been asked by a number of citizens of my community of Thunder Bay to table a petition which expresses concern about the situation in eastern Europe, particularly in the Baltic States. It calls upon Parliament to allocate and activate credits for feed grain to Lithuania and the neighbouring Baltic states.

EAST TIMOR

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, I am pleased to present a petition today pursuant to Standing Order 36 in regard to the situation in East Timor.

Indonesia has occupied East Timor since 1975 in contravention of international law. This military occupation has caused death of hundreds of thousands of East Timorese men, women, and children.

Canada has shown its world-wide support in the work of the United Nations and has recently sent armed forces to aid Kuwait in the removal of an aggressor state.

Constituents from my riding and throughout British Columbia ask that the Canadian government work toward the elimination of the Indonesian military occupation of East Timor and the genocide of East Timorese people.

MEMBERS OF PARLIAMENT

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, I rise today in my duty as member of Parliament to present a petition with many hundreds of names. It refers to the action by the Government of Canada to introduce the pay and benefits of members of Parliament in January 1, 1991, and these Canadians are calling upon Parliament to rescind these budgetary measures and set a good example for the rest of Canada.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Cooper: Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BANK ACT

MEASURE TO AMEND

Hon. Perrin Beatty (for the Minister of Finance) moved that Bill C-19, an act respecting banks and banking be read the second time and referred to the Standing Committee on Finance.

* * *

[*Translation*]

INSURANCE COMPANIES ACT

MEASURE TO ENACT

Hon. Jean Corbeil (for the Minister of State (Finance)) moved that Bill C-28, an Act respecting insurance companies and fraternal benefit companies, be read the second time and referred to the Standing Committee on Finance.

COOPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

Hon. Jean Corbeil (for the Minister of State (Finance)) moved that Bill C-34, an Act to revise and amend the law governing cooperative credit associations and to provide for related and consequential matters, be read the second time and referred to the Standing Committee on Finance.

Madam Deputy Speaker: The debate is therefore on the substance of all three bills.

[*English*]

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Madam Speaker, today marks an important milestone on a journey which began several years ago. The legislation before us today is a major work of reform, the reform of the legislation governing Canada's financial institutions.

We first want to indicate that we are fully aware of the contributions made by former Ministers of Finance and the finance committee of this House and the other place. We also want to pay tribute to the contributions made by countless individuals and groups, both in the industries affected directly and among the general public.

This particular stage of financial institutions reform includes four bills. The first of these was Bill C-4, which has already been considered in committee and which applied the principles of reform to the federally chartered trust and loan companies. The other three bills are C-19, which applies these principles to the chartered banks; C-28, which applied them to federally chartered insurance companies; and C-34, which applies them to federally regulated financial co-operatives.

In each case, the basic approach taken in the bill is the same. There are differences between the bills, however, because each applies the underlying principles of reform to a different type of institution. Shortly I want to look at the ways in which reform has been applied to each of these three bills which are awaiting second reading. Before I do this, however, I want to review the more general aspects of our reform which apply to all three pieces of legislation.

One of the most important points is that this process of reform will bring all federal legislation governing financial institutions into harmony to a degree we have not previously experienced; a major achievement and one of which this government is proud.

The goals of reform are clear and easy to understand. They are: to enhance protection for depositors and policy holders; to benefit consumers by increasing competition and the spectrum of services offered by financial institutions; to strengthen the ability of our financial institutions to compete at home and abroad; and to lay the groundwork for discussions with the provinces about harmonization, because jurisdiction in the general field of financial institutions is a shared one.

These goals, Madam Speaker, are important and I am pleased that we have been able to embody them in legislative and regulatory reform.

I know that members of the House are familiar with the general outlines of the proposals. We have dealt with them already in Bill C-4 and its predecessor. But I do want to speak specifically about certain issues.

The first of these is the problem of self-dealing. Tougher rules will be implemented; the self-policing role of directors and auditors will be made more effective through mandated roles and responsibilities; the superintendent of financial institutions will have increased powers to require information that will enable problems to be anticipated; and the superintendent is therefore being given new access which has not previously been available.

Second, consumers will find shopping for financial services more convenient and will benefit from a wider choice of financial products since banks, trust and loan companies and insurance companies will be allowed to compete more directly with each other. By opening new avenues for growth of our financial institutions, the new provisions will strengthen the ability of these institutions to meet the new challenge that has evolved in the global marketplace.

Financial institutions will be able to diversify by owning institutions operating in other segments of the industry. For example, banks will be allowed to own trust companies and insurance companies; and insurance companies will be able to own other financial institutions. By virtue of their wide ownership, mutual insurance companies will be able to own chartered banks. Significant changes in the ownership of financial institutions will be subject to approval by the Minister of Finance, who will take account of whether transfers are in the best interests of the Canadian financial system.

Together, these proposals set out a framework for fair competition that will allow all institutions to have good opportunities for participation in financial sector activities. These bills and their regulations cover a very wide range of changes because of the size and the importance of the financial sector and the wide range of institutions and situations which have to be covered. After all, looking at the sectors as a whole, there are more than 3,000 Canadian financial institutions with assets of some $900 billion. Of the 25 largest institutions with total assets of $760 billion, 23 are chartered and regulated federally.

But it is not just the sheer size of the sector which gives it importance.

• (1020)

We must not forget that the health of these institutions is key to the vitality and strength of our economy as well as to our security and the security of savers and investors.

The activities of these institutions affect our mortgages and our purchases of goods and services. The financial sector shelters and invests savings and makes available investment needed for new and expanded industries.

I believe these institutions will operate more effectively and competitively and will meet the needs of Canadians more efficiently as a result of reforms we have put forward. We have recognized the importance of financial institutions in developing a legislative and a regulatory approach that protects the public while encouraging and not inhibiting innovation and competition. We have done this while also recognizing the competing interests within the financial community itself, and while we have sought as wide an agreement as possible not all interests could be completely reconciled. In such cases, we have looked to find a reasonable balance.

I want to go over the particular provisions of Bill C-19, Bill C-28 and Bill C-34 which are unique to each bill.

Bill C-19, which applies to the chartered banks, is very similar to its predecessor, Bill C-95 from the previous session. There have been some relatively small modifications. I want to indicate what the specific changes are.

First, because it is based on Bill C-4, this bill recognizes and incorporates amendments made in committee to Bill C-83, the bill of the previous session relating to trust and loan companies.

Second, a number of changes affecting only banks have been made as a result of comments received since Bill C-95 was tabled.

Third, this bill contains new wording for the section which restricts the retailing of insurance by banks. This section was section 4.17 in the previous bill and is now section 4.16. The proposed new wording sets out clearly the intent of the government's policy. This has been done to meet concerns that the corresponding section of Bill C-4 relating to trust and loan companies on which the previous wording was modelled, does not constitute a clear and certain statement of the intentions to restrict deposit taking institutions from engaging in retailing insurance.

I should add that revised draft regulations issued with Bill C-19 reflect these changes as well as comments and submissions on previously issued draft regulations relating to retailing of insurance.

This means that the banks and the trust and loan companies will be restricted from retailing most insurance products in their branches. This ensures that insurance will continue to be sold by qualified licensed insurance brokers and agents working independently from any deposit taking institution.

Our general approach to the question of ownership of financial institutions has been applied to the special needs of the chartered banks. We have maintained the principle of wide ownership for schedule 1 banks, including the six largest Canadian banks. This ensures that no one person or group of associated persons can own more than 10 per cent of any class of bank shares.

The second bill, Bill C-28, affects insurance companies. In addition to the ownership provisions to which I have already referred, certain elements of the reform are tailored to meet the needs of these institutions. There will be enhanced powers given to insurance companies to make consumer and commercial loans.

In addition, this legislation recognizes the important place of mutual companies within the system. These companies are granted new powers to raise capital through the issuance of debt and preferred shares.

Finally, the legislation recognizes the position of participating policy holders and establishes new rules for communicating with them and seeking their approval for fundamental changes.

Bill C-34 applies the general principles to a third part of the sector, federally regulated financial co-operatives. To an even greater extent than the other parts of the sector, these institutions operate under shared jurisdiction with the provinces.

Currently, one federal association is governed by the act while six registered centrals are governed by both the federal act and legislation of their provinces. Local credit unions continue to be incorporated provincially and are governed solely by provincial legislation.

This legislation grants associations of power to provide a range of services comparable to those that may be provided by trust and loan companies under Bill C-4. A key difference is that associations continue to be restricted to providing their services primarily to their members.

The new legislation permits associations to provide services in the fulfilment of the trade association function which they service with respect to other co-operative institutions.

In adapting the investment rule set out in Bill C-4 to the particular situation of federally regulated financial co-operatives, this legislation takes into account the important liquidity function served by the associations.

Finally, this bill will increase the access of federal associations to capital by permitting them to issue preferred shares to non-members. These shares will be restricted from carrying full voting rights to ensure that control of associations remains within the co-operative system.

Returning to the general outline of our policy, I want to reiterate that our proposals represent a balancing of individual, national, international, federal, provincial, commercial and prudential concerns.

The proposals in this package serve the public interest very well. They will strengthen the financial institution sector and will permit our financial institutions to grow and prosper and contribute to the economic vitality of Canada.

I ask all hon. members to work together with the government to expedite consideration of these bills in this package.

Ms. Catherine Callbeck (Malpeque): Madam Speaker, I welcome this opportunity to participate in second reading this morning on Bill C-19, the new Bank Act, and Bill C-28, the new insurance act. My colleague from Moncton will be discussing the co-operative act on behalf of my party.

I want to make it very clear at the beginning that the Liberal Party of Canada supports in principle this new legislation. The banking and the insurance industries have been waiting a long while for this new legislation. While our party has some concerns about both bills, we will seek to have those concerns addressed when the bills get to committee.

The current insurance legislation is already decades old and the Bank Act is more than a decade. Both are badly in need of modernization, although the insurance act is more outdated and this government has been dragging its feet for six years on financial sector reform ever since it was elected.

The government's reform process started in 1985 with the green paper. A year later it was followed by a blue paper, and last September the government released the white paper on financial reform. All in all, six years have passed since the first green paper was released. The legislation we are debating this morning is certainly long overdue.

When the government proposed in this new legislation, in the new Bank Act, that this legislation we are dealing with today would be reviewed five years after it comes into force, my party suggested that the review would be better three years after it comes into force.

We argued that by 1997 it will be 12 years after the publication of the green paper which started the whole process and seven years after the first financial reform bill was introduced into the House of Commons.

• (1030)

Twelve years is a long time in a fast moving industry such as financial services. The government members on the committee obviously felt differently about our proposal as they defeated our amendment.

For too long this government has been holding back federally regulated Canadian financial institutions with outdated legislation. Our financial institutions must be given the new powers they need to compete in the new global business environment. We must also ensure that our consumers are well served and that the strength of the Canadian financial sector is not only protected but enhanced. This is why our party is supporting this legislation in principle.

In addition to helping our financial institutions compete, another major objective of reform is to protect depositors. Here again the government's slowness in this whole area may have been damaging.

The government's new reform package gives the Superintendent of Financial Institutions more powers than ever before, powers such as the setting of accounting standards, the inspection of the books of the parent of a financial institution.

If this legislation had been passed it might have made a difference with Standard Trust. I questioned the Superintendent of Financial Institutions about this at the finance meeting on November 28. At that time I asked the superintendent if he felt that he had been hindered by inadequate legislation in dealing with Standard Trust. I want to read his reply directly from *Hansard*:

> It is very difficult for me to go beyond that with respect to this particular company because, as I said, pretty well everything else we have done here, as with all of the companies, is confidential.
>
> To stand back from this, however, there are a number of things contained in this bill that might, and I say "might", have made a difference to this or other situations in which there are or might be developing difficulties.
>
> The first is the provision I referred to that gives us a lot more leverage on accounting policies. That might have made a difference.
>
> The second is the provision that gives us access to information to parent companies and related companies. It is possible that might have made a difference.
>
> The third is the establishment of business conduct review committees of directors to review any related party transactions, and finally of course there is the whole regime of prohibitions and bans of related party transactions. All of these might have made a difference. I do not know.

No one knows for sure but the 150,000 Standard Trust depositors whose accounts were frozen on April 18 probably wish that the government had kept its promise and put those new accounting rules in place a few years ago.

Another example concerns the new insurance legislation. Under Bill C-28 the insurance companies, until that becomes law, will continue to have to make complex legal arrangements to accomplish things which the old act allows but makes very difficult.

Those extra legal bills are being charged to and paid for by the consumer or policy holders in the way of higher premiums.

With this new legislation that we have before us this morning insurance companies will be allowed to act more freely, and this should mean lower legal bills.

Just to give a simple example as to how outdated this legislation is, under the current act the board of directors of an insurance company must approve all employees' salaries who earn more than $40,000. Obviously that rule was established decades ago when in those days we probably had only two or three top executives earning over $40,000. Now that is a very simple example of how outdated this government has allowed Canada's insurance legislation to become.

I think those examples illustrate very well why the government must move as quickly as possible to improve financial sector legislation.

This morning I want to discuss both Bill C-19 and Bill C-28 in some detail. As I mentioned earlier, my colleague from Moncton will deal with the Co-operative Act on behalf of my party. Together these two acts, the Bank Act and the insurance act, comprise about 1,400 sections, well over 800 pages. Each bill is over an inch thick. This morning I want to try and highlight a few of the most important sections of each bill and some of the issues that they raise.

I will begin by discussing the sections that the two bills have in common and there are many.

The first major item is natural person powers. In other words, both insurance companies and banks will be able to do anything that is not clearly prohibited by legislation. Under the current legislation insurance companies can only do what is clearly permitted by their legislation. So that in itself is a big change.

Some of the other common elements in the banking and insurance company legislation are measures to protect the soundness of this legislation. Of course the main reason for having factors like this in these two bills is to protect the savings of the Canadian consumers. We do not want what has happened in the United States to happen here. We want to be sure, positively certain, that our depositors are protected.

In this legislation both types of institutions, banks and insurance companies, will be required to ensure that one-third of their board of directors is unaffiliated with the company. For example, if an insurance company has 21 directors sitting on a board, at least seven cannot be among other things an employee of the company, an officer of the company, someone who has a substantial investment in the company, or someone whose company does more than 10 per cent of his or her business with the insurance company.

By doing this the government of course is trying to ensure some degree of independence on the board, and we agree with that.

An insurance company or a bank will also need to have in place proper procedures for dealing with conflict of interest.

• (1040)

They will have to establish two committees: an audit committee and a conduct review committee. Of course these committees again will help to protect depositors and consumers.

The audit committee is there to review any problems raised by the auditor's report and the conduct review committee will review possible self-dealing situations.

Self-dealing might exist, for example, where a director of a company has influence over the company in such a way that it would benefit him personally.

One item that we in the Liberal Party were pleased to see in both bills was a consumer complaint section. This section is actually based on a Liberal amendment to the Trust and Loan Companies Act which the finance committee passed in March.

As I said, this was an amendment that we proposed in the finance committee to the trust and loan legislation. We are extremely pleased that the government has now included this in the Bank Act and the Insurance Act. What that does is ensure the legal right of customers to complain about a problem they have with the bank,

insurance company or other financial institutions. They can complain about service charges or other concerns that they have.

First of all, they take their complaint to the institution itself. If it is not resolved there then they can go directly to the Superintendent of Financial Institutions. They have the legal right to do so. For example, the bank forecloses on a loan to a farmer. The farmer thinks the bank's action was unjust. He now has the legal right to see the bank's consumer complaints officer. If together the officer and the farmer cannot resolve the problem, the farmer could take his complaint right to the top, to the Office of the Superintendent of Financial Institutions.

The superintendent now has to include in his annual report a section on these complaints. The number and types of complaints received by the superintendent's office will be detailed in this section, as well as a general description of how those complaints were resolved.

Certainly we on this side of the House hope that by legally requiring banks and other financial institutions to have complaint procedures in place we can ensure that customers who do have complaints will be better served.

There are some other elements of the insurance legislation that are also found in the banking bill, such as the new ownership rules. Insurance companies will now be able to own financial institutions such as schedule banks and trust companies. Of course, banks will be able to own insurance companies and trust companies. Both will also be able to own corporations that are in the financial services family such as the financial leasing companies and information processing companies.

The legislation limits the flexibility of insurance companies and banks to invest in these other corporations I have just mentioned. If these financial institutions do not wish to own at least 51 per cent, then they will not be allowed to own more than 10 per cent. For example, they cannot invest in 30 per cent of the company. It has to be 10 per cent or 51 per cent.

It seems that the government's goal here is to reduce the risk of a bank getting into a new kind of business that it is not familiar with and not able to control. The banks and the insurance companies argue that these new rules will prevent them from getting into joint ventures and getting into a business with a major partner or a partner who has the expertise to help them in running the company. Again, this is something that we certainly want to look at in committee.

There are many common elements to the two bills, but there are obviously some major elements in the new acts which are unique to the insurance and the banking industry. I want to start with the insurance bill.

Insurance companies will soon have full commercial and consumer lending powers. In other words, they will be able to make loans to the general public, not only to their policy holders.

Those insurance policy holders will also get new rights under the new act. They will be treated more like shareholders of a corporation. They will receive regular notification of their rights as policy holders and those who express an interest will receive notice of company board meetings.

Policy holders will also have the right, where the numbers are sufficient, to make proposals to the board of directors.

In a very important change in this legislation, mutual insurance companies—and I am talking here about companies that are owned by their policyholders—will get the right to issue preferred shares and thereby raise much needed capital.

The government has also released a proposal that would allow mutual companies to demutualize or accept shareholders as well as policyholders. This alternative method of raising capital raises many issues, such as how would the policyholders rank as compared to the shareholders? There are several questions around this whole issue that certainly will have to be addressed in committee.

Briefly those are some of the major elements of the new Insurance Act. While we understand that the insurance industry is generally quite pleased with this new legislation, we have yet to hear from various interest groups.

There is one group that we have heard from, the Canadian Bankers' Association. It has some concerns about Bill C–28, respecting the insurance act. It feels that it does not effectively restrict insurance companies from accepting deposits or offering cheque writing services. As we know, banks are prohibited under this legislation from selling insurance and they want insurance companies to keep out of the banking business.

The Canadian Bankers' Association also wants insurance companies to face the same requirements as banks and trust companies in terms of disclosure of service charges, networking arrangements and turning over unclaimed accounts to the government.

They have some other concerns as well, all of which we will be addressing in committee.

I would like to turn now to the main sections of the new Bank Act. One of the main provisions in the new Bank Act would continue to prohibit banks from moving any further into the insurance market.

We in the Liberal Party have heard arguments for and against, and I want to take a few minutes this morning to talk about some of these arguments from both sides of the issue.

• (1050)

We have been told that if banks could sell insurance, it would be cheaper and it would be more convenient for consumers.

We were told that there would be no risk of tied selling. What I mean by tied selling is that a bank would try to pressure a customer into buying insurance from the bank by threatening them that they would deny a mortgage.

We were told that around the world, and even here in Canada, deposit–taking institutions sell insurance with no consumer problems and they sell at very competitive prices.

We have also heard many reasons on the other side of this issue; why banks should not receive broad insurance powers. First of all, we were told that there is no evidence that banks could sell life insurance, the main product they want to sell, any more cheaply than insurance companies over the long term. It is argued that, yes, in the short term banks may undercut the prices of insurance companies in order to gain the market share and consumers would benefit in the short term. But in the long term, the argument goes, it is still far from certain that banks would offer life insurance at super competitive prices.

For example, in 1989, there was a study done by the Public Interest Research Centre that claimed consumers could save a lot of money if banks could sell insurance. However, that study has been discredited by a 1991 study done by Eckler and Partners.

We have also heard the argument to give the banks broad insurance powers would be unfair because of the size of the banks. With assets of $126 billion, one bank, the Royal Bank, is larger than the entire insurance industry put together. There are six major banks involved. Together, the six big banks account for 90 per cent of the $584 billion in Canadian banking assets.

So it is argued that there is a very real possibility of unequal competition.

It has been suggested also that it is possible that there could be a very short but intense battle between the huge chartered banks and the much smaller life insurance companies which could lead to massive dislocations in the insurance industry.

The insurance industry in Canada comprises 170 companies and 20,000 agents, so a lot of Canadians could lose their jobs and a very successful insurance industry that serves rural and urban Canadians could be permanently damaged by such a battle between unequals.

There is also some evidence to suggest that tied selling, which I described earlier, could be a problem. There was a survey done by the Canadian Life Health Insurance Association. They did a study on the insurance regulators. This study was done in 1990. They wrote to and received letters from 22 United States' insurance regulators. The response confirmed that many states do not permit banks to enter the insurance business and those that do have significant concerns about the coercion and misuse of customer information.

That does not necessarily mean that we might have the same problem here in Canada, but it is certainly a factor which we have to consider when looking at this issue. One of the areas which is certainly related to insurance is the question of banks selling life annuities. Life annuities are a retirement product now only sold by insurance companies. The banks want a share of the market. They argue that as the Canadian population ages, more and more of their customers will require life annuities and they should be able to buy them from their banks.

The banks argue that Canadians will benefit if they enter the life annuity market. They feel that life annuities are crucial to any retirement plan. With their superior distribution system, the banks say it will be easier for Canadians to prepare for retirement. On the other hand, the insurance companies argue that life annuities should be part of the over-all ban on banks selling insurance.

This is another area that we certainly want to explore further in committee. As you can see, we have had some very conflicting views to date on whether banks should be able to sell insurance. Certainly, we are considering our position in the Liberal Party very carefully because there is a lot at stake.

The next section that I want to deal with involves consumers. That is whether banks and trust companies should be able to enter the auto leasing business. Again, we have heard arguments on both sides of the issue. We have heard that consumers would get lower prices, that it would be more convenient if people could lease a car through a bank rather than an auto dealer.

There are concerns again on the other side of this issue, that it might be unfair competition. A bank with a loan to a car dealer would have detailed information on that car dealer. Armed with that information on their main competitor, a bank could undercut the car dealer long enough to drive him out of business. Here again, we have to consider very carefully our position on this issue.

Leaving consumer issues and turning to international matters for a moment, the new Bank Act changes the rules for foreign banks setting up in Canada. The legislation now says in effect to qualify for a foreign Schedule 2 bank licence, an applicant must prove to the government it is a bank in its home country.

Given that definition, certainly we in the Liberal Party and others were quite surprised, extremely surprised when American Express was granted a foreign bank licence. AMEX is clearly not a bank in the United States as the spirit of the law and the government's own guidelines required. The government, however, said AMEX met its legal definition of a bank.

It is also curious that AMEX, a major supporter of the free trade agreement, received its licence on November 21, 1988. All members of this House remember what day that was. Of course, it was election day. That is when AMEX received its licence.

This certainly raises serious questions about whether the government was playing politics with the Canadian financial sector.

Whatever the case, Bill C-19 could set the stage for more AMEXs because the new Bank Act says the government can grant a foreign Schedule 2 bank licence if the applicant is either a bank or it is a widely held financial institution, or is in some way engaged in the financial services business. This section runs counter to the government's September 1990 white paper where it is stated that a foreign applicant had to be either a bank or a regulated financial institution in its home jurisdiction.

• (1100)

The new Bank Act says nothing about being regulated, and this has Canadian banks very worried. They are worried that the new act could open the door to a whole range of unregulated non-bank foreign institutions, including the financial arm of huge American commercial companies like Ford, Chrysler, Sears, IBM and General Electric.

These foreign non-banks do many of the things that our Canadian banks do. They raise money not through deposits, but by taking short-term loans known as commercial paper. This sounds like banking, even though these institutions are unregulated and commercially linked.

They would obviously be regulated if they entered Canada as banks. Allowing such commercially linked companies into Canada raises concerns about fairness to Canadian banks and about the soundness of the Canadian financial institutions. One can therefore legitimately ask whether the government is putting our banks at a disadvantage with this new legislation.

We are also concerned about the degree of discretion that the new Bank Act gives the finance minister in handing out these foreign bank licences. The minister can decide what is a financial institution and what is meant by "widely held".

What this does, of course, is leave the government open to intense lobbying by foreign institutions which maybe should not qualify for a Canadian banking licence and whose presence here in Canada could undermine confidence in the Canadian banking system. As we saw in the case of AMEX, when international politics and banking mix, Canadian financial institutions are often the losers.

All these questions are extremely important and they must be dealt with in committee. The government's changes to the foreign bank role raises the whole issue of international trade and financial services.

As Canadians know, this country is involved in two sets of international trade negotiations: first, with the United States and Mexico, and second, with other GATT countries. GATT of course, stands for General Agreement on Tariffs and Trade.

While this government has not yet revealed its strategy for these negotiations, it seems very clear that the foreign countries will demand similar treatment to that given Americans under the free trade agreement. We in the Liberal Party want to state once again that the government must not use these trade negotiations to weaken the competitive position of Canadian financial institutions.

I would like to conclude my remarks by briefly summarizing the stand of my party. The Liberal Party supports in principle the government's new Bank Act and insurance act, although we have some major concerns, many of which I have mentioned briefly today. Certainly we look forward to reviewing and addressing these concerns in the finance committee.

Mr. Angus: Madam Speaker, on a point of order. There have been some discussions and I think you would find unanimous agreement to allow my colleague, the member for Nickel Belt, to speak for 40 minutes on these three bills.

As you would appreciate, if they had been done separately he would have about 60 minutes. He is being very conservative today in the time he wants. You will notice that I did not ask for unlimited time because, as we found out in the past, he can go on at great length.

Mr. Milliken: Madam Speaker, I agree with everything the hon. member said, particularly his last comment. We are happy to accede to the request.

Some hon. members: Agreed.

Madam Deputy Speaker: I understand that there is also agreement on my right. Therefore I will recognize the hon. member for Nickel Belt and he will be allowed his 40 minutes.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I will try to stay within the 40 minutes I have been allotted.

These three bills are very complex. I thought long and hard as to how I could take such very complicated and convoluted legislation and put it in a way that people who are listening and watching could understand the complexities, the twisting and the turnings of the operations of the financial institutions of this country.

I thought I should put it in a way that people understood. I said: "Who best could describe things in a way that people could understand but Aesop?" Therefore I have put my opening remarks in the terms of Aesop's Fables.

Is everybody ready? Are we all gathered around? Once upon a time, shortly after 1929, certain animals were put in cages and there were four cages. In cage number one were the rabbits. These rabbits, I would say, are the equivalent of investment brokers. We have rabbits as investment brokers.

In the next cage was put lions, big, king of the beasts, and they are the banks. They were put in their cages and the lock was put on.

In the third cage was put the mongoose. I do not know what the plural of mongoose is. I think it is mongeese or maybe it is mongooses. They were put in the third cage, and they were the insurance companies, and a lock was put on the cage.

In the fourth cage was put the cobra, and the cobra were the trust companies, and the gatekeeper put the lock on the cage. We had the four cages: the rabbits, the lions, the mongoose and cobra. Everybody knows, there they are after 1929. Before 1929 they did terrible things to each other so they were put in the cages.

In 1987 somebody whose begins with *t* and ends with *y*, a four letter word, stealthily in the night went and opened the rabbits' cage and the lions' cage. Well, everybody knows that lions eat rabbits. That is what happened. The lions ate up the rabbits; the banks ate up the investment brokers.

That reminds me of a limerick:

A smiling young investment broker from Vancouver

Went for a ride on a banker.

They came back from the ride with the broker inside

And a smile on the face of the banker.

That is what happened. Maybe it was not supposed to happen, but everybody knows that if we put lions and rabbits together, the lions will eat the rabbits. That is what happened.

Here we are today, in 1991, and somebody beginning with a *t* and ending with a *y*, a four letter word, in Bill C-19 and Bill C-28 are stealthily going to open the cages separating the cobra, the mongoose and the lion.

• (1110)

We know what will happen. We know what mongoose do to the cobra; it kills them. Then what do the lions do to the mongoose? They are going to eat them. As sure as shooting, we are going to end up, when the dust settles, with a brand new animal.

It will have a lion's head. It will have the body of the cobra, the feet of the rabbit and the teeth of the mongoose. Do you know who it feeds on? Consumers. And who is there to keep this animal with all these attributes, this new creation, this new hybrid, to separate this monster from his feed.

Well, we call in somebody called OSFI. You see him there with his lion tamer's hat and his little whip, and that is all that is between this hybrid monster and consumers.

What I have tried to portray in this little fable is in fact the reality of Bill C-19, Bill C-28, Bill C-4 financial institutions which we previously called Bill C-83. What we are doing with these bills today is that we are opening up the cages. We in this party have always said when you do that, when you collapse the pillars, when you open the cages, what will result is a concentration of economic power.

One morning we will wake up and there are not going to be any Hulk Hogan's wrestling out there. There will just be one huge sumo wrestler, which we have cultivated to go and wrestle globally. That is a danger.

I do not have to remind members of the realities in California where previous deregulation under Ronald Reagan there were many banks and financial institutions in California. If we go there today, it is predominated by two particular banks: the Bank of America and Securities Pacific. There is also a smaller one, First Interstate Bank of California. All of that is going to shake down and, sure as shooting, eventually there is only going to be one bank in California.

We have serious concerns. When you open the cages, you cannot control the animals, and the biggest and the most aggressive one will survive. We have said consistently that we have to keep the pillars in place. There is no problem, as far as we can see, with banks entering into joint venture arrangements to market insurance products. But the minute you allow this feeding frenzy, sure as shooting one morning we are going to wake up and there is only going to be one financial institution, one giant, super financial institution at which all Canadians are going to do their banking and their financial services.

That is not going to be healthy for the marketplace. I am absolutely amazed that a Conservative government that worships so grovelingly at the altar of the marketplace would in fact destroy the marketplace. In fact, the reason they were put in the cages after 1929 was because of their rampant behaviour in 1929. Now we are opening it up. We want a market that can be regulated, because we want it to make sure that it behaves in a socially responsible manner.

The Tories are destroying the market through this monopoly. Historically it shows that to control a monopoly you need another monopoly. Therefore the Tories, *quod erat demonstrandum*, are for big government. We are going to have to have a monstrosity to control a monopoly.

Look at the bills and the regulations. Everywhere in these bills and regulations you will see: "The minister shall" or "OSFI shall" or "the government shall". It seems to me we ought to be striving for built-in structures that by their very nature regulate the industry.

It seems to me that if you work toward getting those kinds of built-in rules, regulations and structures, then you have a check and a balance: for example, the pillar structure, for example the 10 per cent ownership rule.

There is another concern that this deregulation will allow financial institutions to become so huge, so economically powerful that they will challenge the state. They become in fact major private governments. There are three powers which they are headed to control: the power to create money, the power to control productivity, that is real wealth, and the power to control technology. What we are developing here as I said before is a huge sumo wrestler.

If we listen to the banks, that is all they talk about. They want to go global. What we are going to have is a huge ubiquitous sumo wrestler. He will be everywhere because you will not be able to keep him inside your borders. He will transcend, cross borders. You think we have got a problem with cross-border shopping. Wait until we get cross-border financing because we do not have an international regulator that is going to keep an eye on them. I can just see BCCIs all over the place.

We are really dealing here with the destruction of the national market for the sake of global competition. Banks will be allowed to own insurance companies. The banks cannot retail insurance. I mean, how stupid. We have 7,000 branches. I can just see myself wanting insurance for my car. I do not see absolutely anything wrong with the bank marketing the insurance policies of insurance companies.

If I want insurance for my car, I go down to my bank branch and say to the clerk: "I want insurance. Here is my car, here is the year", and so on. There is no reason he or she could not crank it up on the computer, show me a whole rack of companies and pick the policy and the company that suit my needs. I could also suggest that it would be done at a better rate.

In fact playing this little verbal *les jeux de mains*, if I may, in trying to say that the banks cannot do it, there is not anything in there that they cannot dipsy-doodle around.

• (1120)

They are going to set up little subsidiaries of insurance companies. They are going to direct market through their credit cards to their customers. They are going to build up a customer base. It is stupid and ridiculous. It does not make any sense. I say you put them back in their cage and put the lock on it. If they are bankers, they do banking; if they are insurance companies, they do insurance business; if they are trust and loan companies, they do trust and loan business. It is a simple matter.

All we have got to do is look south to what has happened. They wanted to deregulate. Well they deregulated the *s* and *l*'s all right. They gave them all kinds of powers to go and get involved in real estate operations. This bill has got some real stuff on real estates for financial companies. Have they got stuff. We are going down the road. They are going to be developers too. Do remember what I said about the lion eating the whole gang? All right, we will come to it.

It seems to me that these bills are releasing the dynamism of the Canadian banking system, not to serve the consumer and the public but to predict the system. They eat it up. That is what I think these bills are all about. That is really the principle and the philosophy behind them. Already we are over-banked. We have banks banking. Now you are going to have insurance companies taking deposits. They are selling financial instruments. You have trust companies all over the place. For 26 million people we are over-banked.

I want to tell you very quickly that the feeding frenzy is going to start. It is not good when the end result is the development of a hybrid animal, one only, one super financial institution.

An hon. member: The banks need competition.

Mr. Rodriguez: They need competition among themselves and that is what we have to make sure they do. They are in the banking business. That is what they are in. Insurance companies are to sell insurance and are not to do banking. That is the principle.

I heard the former chairman of the finance committee expound that theory time and time again: "You are a banker, do banking. You are an insurance company, do insurance".

An hon. member: Would American Express sell insurance?

Mr. Rodriguez: I will get to American Express, don't worry.

We oppose changes to the financial institution structure that concentrate the economic power because we think in that kind of environment the consumers are the losers, the society is the loser. We say banks should not own insurance companies.

We have another concern and it all ties in. I am going to sort of weave this in like a mosaic. Brother, I cannot turn my back on that guy; he has got his sword. Excuse my back, do not get angry.

The other aspect of the bill that concerns me is the question of ownership. For financial institutions, we think one of the best safeguards and one of the best controls is wide ownership. That is why we put into the Bank Act that no group or individual shall own more than 10 per cent of the equity of a bank. That is what we said, and I think it has worked well. The major banks in this country are not the problem in terms of what they do, in terms of kerfuffling; it is the trust companies. Look at what we have done. We have allowed them to be closely held. The 10 per cent rule does not apply to trust companies, and yet in these bills we are giving them all the powers of banks.

They are laughing. They can do all the things. I do not need to remind you that when you start mixing up commercial operations with financial institution operations you are headed for trouble. We just saw Standard Trust. What is a guy who is an expert in the mining business doing in the banking business? That is what we have. How would you react to a Lavelin bank or, dare I say it, a Campeau bank or an Algoma bank? They could have established under these rules. Is that not wonderful?

This is very dangerous. I am not the only one who feels this way. This party is not the only one that feels this way. I want to quote a fellow by the name of E. Gerald Corrigan. He is the president of the Federal Reserve Bank of New York. He appeared before the United States Senate Committee on Banking, Housing and Urban Affairs on Thursday, May 3, 1990. This is what he said:

> Second, I remain strongly opposed to the merging of banking and commerce and to any arrangements that would even remotely contemplate the ownership and control of bank holding companies or financial services holding companies containing depository institutions by commercial concerns. Here too, on an earlier occasion, I spelled out before this Committee the reasons for my concerns in this regard, and I have provided an extract of that in earlier testament as Appendix V–I still look with concern, if not alarm, at the economic, financial—and perhaps even social—implications of Exxon owing Chase Manhattan, Ford owning Citicorp, or RJR Nabisco owning J. P. Morgan. Obviously, those examples draw more than a little hyperbole in order to stress the point. But once that door is opened, there is absolutely no way to anticipate how events will shake out over time. Therefore, and absent that compelling public policy reason I spoke of in my earlier testimony, I would strongly urge that we maintain a strict separation of banking and commerce.

Not only do we have in our banking and financial institution structure non-financial upstream ownership, but we are now heading down the road to downstream non-financial ownership. There are provinces that are actively contemplating that move.

That is a serious concern and it ought to be a serious concern for all members. We gave OSFI improved powers after the banks in the west failed. We gave Mr. Mackenzie additional powers, and yet in spite of that we have had an ineffective supervisory system. Still we have had the case of Standard Trust and we will probably end up with more.

The next concern we have is what I touched on before, and that is the financial institutions playing in the real estate market. Bill C-19 proposes that banks, financial institutions, can be allowed to invest up to 70 per cent of their regulatory capital in real estate holdings, 70 per cent. You are talking here about tens of billions of dollars because you are throwing into it trust companies, insurance companies and banks—tens of billions of dollars.

In the short run they may be bailing out developers in the industry at the moment with this, but think of the potential for conflict of interest. The same people who have developers as their customers will be competing with their customers.

• (1130)

Think of the stranglehold if you applied those tens of billions of dollars to three or four major cities in this country. Think of how you can control the real estate market. Think of the potential of that economic power. I want to bet the bottom dollar that when that happens, you will never see real estate come down in the major cities again, never.

We will have effectively kept the price up. What is this mad dash? It seems to me that the rules at the present time are quite sufficient. What do you think about them pulling in loans prematurely, seizing real estate, and purchasing it themselves?

This again is opening the gates. I do not want to mix my metaphors here or as somebody would say open Pandora's box. Where will it end? We have a problem with that.

Another interesting thing is harmonization. These are the kinds of things we should be working on. Presently every province has its own rules for financial institutions. Superimposed on top of that are the federal rules. You have Ontario which gives the "Ontario equals" approach.

These are widely divergent. For example, look in this bill, Bill C-19. There is a 10-50 provision. If a bank wants to purchase a financial entity, it can purchase only less than 10 or more than 50.

The province of Ontario has a basket provision that says: "When you reach a certain level, you cannot go beyond it". So we have the possibility of while a financial institution is trying to maintain the federal rule it violates the provincial rule.

We have tons of examples of conflicts between provincial and federal regulations and rules with respect to financial institutions. We have an example: Scotia McLeod by the way was one of the rabbits. McLeod, Weir, Young is what it used to be called. It was one of the rabbits in the cages.

That was one of the rabbits that the bank or the lion, the Bank of Nova Scotia, ate back in 1987. They have called it ScotiaMcLeod. It is really a subsidiary of the Bank of Nova Scotia.

Under the present law, its investment broker can actually be right inside the golden tower. He has his counter right there in the golden tower in Toronto. He has his plaid jacket. It is called the McLeod tartan so you can recognize him on the floor of the stock exchange. They have team colours and everything. It is amazing. These animals have their own teams and wear little caps with colours on them.

He is allowed to be in the bank. The bank can refer its customers who want investment services to the ScotiaMcLeod guy. In British Columbia they now say that stock brokers and investment brokers can be trained and hold an insurance licence.

You are going to have this guy with this plaid jacket and hat. He is a broker and also an insurance agent, and he is on the property. You are not supposed to do that under the federal legislation. You cannot advertise your insurance services in the bank, so what are you going to do?

What we have is a spectre in British Columbia of the bank passing on to the investment broker information about the customer who wants investment services, and that broker is also the insurance agent.

This law says that the bank cannot pass on to its insurance subsidiary any personal information about its customers. It can only do direct mailing and advertising via its credit card. Isn't this amazing? We have this guy who is both broker and insurance agent and he is doing all kinds of things, all kinds of synergies around the cages. This is absolutely fantastic. But there it is.

There is another anomaly. If the banks set up an insurance subsidiary, the bank is not allowed under the legislation to pass information about its customers directly to the subsidiary. Yet an insurance company which owns a trust company can pass all sorts of information to its insurance company without any restrictions at all. There is an anomaly in the legislation if what is good for one is not good for the other.

We say there should be harmonization. It seems to us, and we have said this time and time again, that in fact there should be a national task force organized involving the provinces to harmonize the rules that govern financial institutions. In fact, Madam Speaker, I am prepared to go even further. I will stick my neck out and say that if the provincially incorporated financial institutions want access to the federal deposit insurance and to the clearing system, then they ought to conform to federal rules. If they don't, they can set up their own deposit insurance, as Quebec has done, and they can make their own arrangements with respect to clearing. But I expect that would be very difficult for them to do. But you have to have some standard rules by which everybody is playing. You cannot have one playing off against the other.

The next aspect of this bill that bothers us, Madam Speaker, is what is called foreign entities coming into Canada and entering the Canadian financial markets. Of course, we know that on election day 1988 the Minister of Finance of the time announced that American Express would be a bank. That opened up the door. This bill confirms that foreign non-banks can come in any time they want and they can choose how they want to come in. They can come in, of course, as an insurance company or a trust company; they can come in as Sears Financial or Toyota Financial or BCCI. They don't even have to be a bank, they can come in. And it seems to me that if none of these structures fit them—insurance company or whatever—they can always have the option, brother, they can always have the option of going provincial. So you can come in provincially. If what is

there federally does not fit you, you can go provincial and do all those things.

I might just say, with respect to the free trade agreement with the United States, that Canada gave away the store on financial institutions and we got no equivalent access to the American market.

Now, that is not just the NDP, Madam Speaker. I want to quote from Linda McQuaig's latest book *The Quick and the Dead*, page 172, when she says:

> Canada also gave considerable ground in the key area of financial services where barriers to entry had traditionally been strongest. Under the Canada–U.S. agreement, for instance, American banks, security firms and insurance companies would be entitled to virtually the same privileges as their Canadian equivalents in the Canadian market.

And Doug Peters, who is the senior vice-president and chief economist at the Toronto Dominion Bank said this: "There is no particular breakthrough in the free trade agreement to allow Canadian banks any greater access to U.S. markets than they already have".

• (1140)

Nothing has changed.

The other area I want to touch on is the area of joint ventures. I have been very concerned about the fact that there are approximately 900 single industry towns across this country. In most of them the banks and major financial institutions have branches and they do very well. They take the deposits of the people of the community. But when the industry on which the town is based goes down the tubes, brother they are out of town, first on the Greyhound heading for Toronto. So where is the social responsibility?

I looked for some flexibility in this bill because I know that the Bank Act, for example, forbids a bank from any kind of commercial involvement in terms of taking equity. I looked for some flexibility within this bill to see if there is a provision whereby under certain very specific and approved conditions, banks can live up to their social responsibility in those single industry towns. I do not think it is fair that it has to be some government agency that gives a grant or backs a loan and takes the chances and the risks all the time. Them that has been getting ought to give sometimes.

In conclusion, our concerns are very clear.

An hon. member: No Sumo wrestlers.

Mr. Rodriguez: Absolutely no Sumo wrestlers, my friend. Give this man the prize. He was listening. No Sumo wrestling, we want good old fashioned Yukon Erics and Hulk Hogans. We want these institutions to concentrate on serving Canadians, to do the things for which they have received the charter. We want them back in their cages and we want the locks snapped shut on them.

We want to apply the ownership rules to all financial institutions. I recognize that some are very small financial institutions. But one of the witnesses we heard was Canada Trust, which is as large as a bank and would like to become a bank, but in fact cannot.

I believe the 10 per cent rule should be applied to financial institutions. We should strictly enforce non-financial upstream ownership and no downstream financial involvement.

We want a restriction on their entry into the real estate market. That is very dangerous; very dangerous.

Harmonization; it has to come. I saw a reference to it in the constitutional proposal. It has to come. We cannot have this patchwork of rules all across the country and people dipsy-doodling and doing whatever they want to do all over the place. What they cannot do here, they will do there. You cannot have rules in conflict. You cannot increase the cost to financial institutions to comply with all of these rules.

Foreign entries into Canadian financial markets, I say, it is *quid pro quo*. You do not come in unless you are a bank. If you come in, you obey the Canadian financial institution rules. You have to be a financial institution.

Joint ventures—I appeal to the government to consider putting into the act some provisions with the appropriate safeguards to permit, whatever those safeguards might be. It may be a limited equity for a short period of time in a specific single industry area, but where the banks and financial institutions can live up to some community responsibility, a responsibility to the community in which they have operated.

We intend to go to the committee to try and get these changes. In the last session, on Bill C-83, the last time we dealt with the Trust and Loans Act, which is now Bill C-4, we attempted to make some changes. I sensed there was no support among, particularly, the government members, so I did not put the amendments that I wanted to put. I am saving them for the report stage.

They deal with these questions. I do not see any problem with banks marketing insurance which is developed and owned by insurance companies, because they will get around it anyway and all you are doing is putting a cost up anyway.

An hon. member: It will close small businesses.

Mr. Rodriguez: The fact is it will not close small businesses. That is a good point, so let us deal with it. How will they close small businesses? The insurance companies will own the insurance policies. The bank is marketing their insurance. In any case, the bank is already setting up its subsidiaries to market the insurance. So if the brokers are concerned, they should be concerned with the banks doing what they are doing now.

An hon. member: Come to Quebec, it is not too bad.

Mr. Rodriguez: In other jurisdictions, in Europe, those same insurance companies that do not want the banks to market insurance have subsidiary financial institutions that market insurance, and it has not done anything to the marketplace.

In fact, I will tell you what the banks are doing: they are going right into the insurance companies and raiding their brokers. They are taking their brokers, who are already trained, and putting them into their insurance subsidiaries. So they are already doing it.

Madam Speaker, we are going to try in the committee to put a human heart into the bill and a human face on financial institutions. I hope I have explained it well here today so that everybody understands how these beasts operate. Now, Madam Speaker, let us get them back in the cages, put the lock on them, and that is it.

Madam Deputy Speaker: That was a 40-minute speech and not a speech with unlimited time. I have to ask the consent of the House concerning questions and comments. Normally after a 40-minute speech there are no periods allowed for questions or comments. We extended his time. If the House agrees, I will call questions or comments.

Some hon. members: Agreed.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I listened with great attentiveness to the speech of the member for Nickel Belt and there were many points that he raised where I agreed with him completely.

However, there were also many parts of his speech when he talked about the concentration of power with the banking institutions, for instance, he reminded me of Conrad Black. I never thought I would see the day in this House when the member for Nickel Belt would be promoting such a concentration of power in the banking institutions. I really could not quite understand where he was coming from.

What I hear from many small, medium-size and even larger corporations in this country is that there is a concentration of power in the lending institutions and there is a perceived feeling that there is very little competition. In other words, if I am a small or a medium-sized businessman and I go to my corner Royal Bank or Bank of Nova Scotia, and if I am turned down, generally speaking I feel that this is the end of the road for me.

I think that is one of the problems we have in this country right now. The Minister of Finance can stand up here and quote statistics day in, day out, about how interest rates have come down to 9.5 per cent or 9.25 per cent and all the banks post these interest rates with posters and all the rest. Then small business goes in and tries to get a loan and they have no luck because the credit is limited in the country and the reserves of capital have been used up.

• (1150)

My understanding of this bill—and I am coming to my question for the member—is that the insurance companies with large pools of capital will now be able to come into the marketplace and be in a better position to assist those small and medium sized businesses with proper loans.

I would never have thought that the member for Nickel Belt would have seen that as a bad thing, to help small and medium sized business by giving the major banks more competition. I would like to ask him why he sees it like that. We have a regulator and we have a superintendent, so why is he against creating more hope, market or opportunity for the small and medium sized businessman to get at other sources of capital to expand business?

Mr. Rodriguez: Madam Speaker, I thank my colleague for his question.

I want to suggest that he look at the plethora of options that a small business person has. I mean, there are credit unions and these credit unions are in every community. Their mandate is to serve the community. I am a member of the credit union where I live and we have a board. Small businesses apply and get loans. We have that.

What I am saying in my speech is that in fact what this bill does is open up the cages, and no insurance company is even close to the size of a bank. The danger is that the banks will eat them up. You will wake up one morning and the dream that you have of insurance companies actually having pools of capital that they want to get into will not be the story they are telling us. That is why they want to demutualize. With all these pools of capital, they want to become banks. But from all the evidence we have heard we are over-banked. They are going to start eating each other up, and that is the danger.

If you really want to protect the marketplace, do not open up the cages and let the lions eat the mongoose and the rabbits and the cobras, but have regulations built in that allow them to do the things that you want them to do.

I do not buy the argument that by allowing insurance companies to become banks this great competitive market will be created.

I mentioned to you in my speech what happened in California. When Ronald Reagan deregulated the whole idea was to allow more players to come in. There would be more money around, more credit and all the rest of it. What is the situation today? There are two major banks in California and soon there may be only one.

We have the same experience with the airline industry. Deregulate the airline industry, take the rules out, and you will encourage more people to put money into the airline business. Today we have two airlines. They are both shaky and there is talk that there will only be one. This bill is about deregulation, brother. I am telling you that if you let the animals out of the cage you will not have any competition in the long run. Sure, in the short run you are going to have a lot of little fish out there lending money, but in the long run they will all be gone like the dodo. That is what I am saying.

Mr. Phillip Edmonston (Chambly): Madam Speaker, I would just like to clarify what my colleague has said dealing with the selling of insurance by financial institutions.

I understand that there were questions raised during this speech as to: "My gosh, would this be in the interest of the consumer? Would this be in the interest of even the insurance brokers?"

I have heard this debate before. In fact I have participated in in this debate in Quebec. Perhaps my colleague from Vancouver would be interested in this debate involving Quebec, because the Caisse Populaire Desjardins wanted to get into the business of selling insurance. We held hearings. They were lengthy hearings dealing with whether the Caisse Populaire Desjardins should sell insurance. Essentially the brokers came by and said: "If you do, we are going to lose our jobs. If you do we will not have a better price for the insurance that is being sold. Finally if you do, you are going to end up controlling the market".

I argued against these points because I said it was nonsense. It has been a very good experience for the past five years. The Caisse Populaire Desjardins has not abused its position. There has not been a single complaint of tied selling. We have been watching it very carefully.

Also, if we say that the bottom line has to be competition, and I agree it has to be, then as the hon. Liberal colleague had said it should bring down prices and make for better service, and it does. Not a single job that I can see has been lost from this increase in competition.

I just want to mention something concerning partisan debate. If we cannot accept that members of the NDP or members of the other parties can say things which other members might feel does not quite fit in ideologically as they see us, if we cannot get beyond that, how far can we go in this debate? In this House reasoned debate should prevail, and I mean reasoned debate, not just partisan debate. That is part of it. As someone coming from Quebec, I know the Quebec situation and have lived through this question of whether banks be allowed to sell insurance. Having had this debate, I would ask you to do your homework or at least come to Quebec.

We know what the benefits are for consumers. If the bottom line for Liberals and Conservatives is protection of consumers, then get out of your partisanship and take a look at what happens elsewhere. Come to Quebec and you will see that the reasons that you invoked do not work. No one will lose their job. Prices will be more competitive and consumers will be better served in the long run.

Competition is where it is at. You should be in favour of competition and not just simply the NDP.

Mr. Rodriguez: Very briefly, Madam Speaker, I just wanted to add that when my colleague, the hon. member Esquimalt—Juan de Fuca, was the premier of British Columbia, they brought in the public auto insurance. Who do you think was given the task of selling it? The credit unions and the agents. The brokers did not lose their jobs. People in rural communities and cities could get their insurance through their credit union or their broker. No one lost their jobs.

I just want to touch, for my good friend in the Liberal Party for whom I have a great deal of respect, on this question of competition. I want to say from the heart that this business of competition is not some altar where we have to go and genuflect and worship. Often when you open up things without proper regulations and controls, it is the strongest who will survive. There is no respect for those who are not able for one reason or another to compete. You need strong referees. You need strong rules. I think that is what we want, fairness in the system.

Mr. George S. Rideout (Moncton): Madam Speaker, it is a pleasure to rise and speak on the legislation before the House dealing with financial institutions. It was also very enjoyable to listen to the hon. member for Nickel Belt give his rendition of financial institutions and his feebled fable about caging all of the different institutions. My worry is that if we carry the NDP approach to its logical conclusion, we would have all of our institutions caged. We have all been to zoos and seen exactly what happens with a bunch of caged animals. They have no life, no vitality, no will to really do anything. What we have to do is try to strike the right balance in our system so that we do have that measure of competitiveness and aggressiveness and those types of things tied in with the proper regulations so that the consumer is protected.

• (1200)

My colleague from Malpeque has given a very extensive discussion on the pieces of legislation before the House. I want to talk in some measure about the Co-Operative Credit Association Act and what is going to happen there. As well, I just want to talk about our financial institutions generally and where they are going with the legislative program before the House.

As background, all agreed that we would come forward with legislation in all four pillars of financial institutions and deal with them all at the same time. We now have all those pieces of legislation before the House.

Quite frankly, it is hoped that we have the will to deal with all of this legislation quickly. I would not want to recount the history of how long it has taken us to get to where we are today, but I believe that most of the financial institutions have been worn down to such an extent that they are fully supportive of the legislation only to move forward and get something done as far as financial institutions are concerned.

In fairness, I think there is a good compromise in much of the legislation that was brought forward. We on this side of the House will be supportive of this legislation going to committee, getting the input that is necessary and giving us an opportunity to make the necessary changes to fine tune the legislation and allow us to come forward with better legislation.

In dealing with the Co-operative Credit Association Act and the legislation in that area, I think we are presented here in Canada with an opportunity to strengthen this organization. It is a good organization. A lot of people are members of credit unions or co-operatives. They know of their involvement in the community. They know the commitment that credit unions and co-operatives have to individual members. It is that approach that is going to help the consumer as we proceed in these very difficult times with globalization, increased competition from outside our borders and with all the problems associated with that particular area.

Co-ops can provide that measure of personalized service that is of concern to the individual which larger financial institutions may not provide.

I believe that the co-op movement has made a tremendous contribution to our economy and it is now opening up other opportunities. I think they can make that contribution to the small business person and to the individual because they make a lot of their decisions not on the basis of high-falutin theories and programs that have designations as to who qualifies and who does not. They do it on the basis of the individual. They size up the loan, in large measure, on the basis of the individual. It would be nice to see that at least one financial institution is capable of looking at loans on that basis.

This legislation also provides a benefit to the co-op or the credit union in the sense of allowing them to raise capital. One of the problems credit unions have faced, and indeed all co-ops have faced, is that the only way they can raise capital to do business is either through the sale of memberships or through debt. This legislation is going to give them an opportunity to raise capital through equity. That is a positive step and I compliment the government on that.

I look forward to hearing what the credit unions and co-operatives have to say in that particular area, as to whether the legislation works or whether there should be other ways to assist credit unions in raising capital.

All in all, the legislation is a very thick document that covers a broad range of items. I think it will bring the credit union into a situation in which it is competitive with the other financial institutions and will give it an opportunity to make its contribution to our economy.

If I can, I would like to move from the credit unions and talk generally about financial institutions. The buzzword that we hear all the time is this business of "competitiveness". It is interesting to watch the NDP trying to turn itself inside out and accomplish competitiveness in one sense and be non-competitive in every other sense.

It would be nice if it could get its act together and go down on one side of the issue or the other, rather than around the circle as it has this morning.

My hon. friend says that it does not know what it is doing, and I think this morning was a clear indication that it has not got the foggiest idea of how the economy runs. Its members have all left. I am sorry, I am not supposed to mention that they have all left. I guess they did, but I am not supposed to say that, so I withdraw that reference to the fact that they are no longer here.

An hon. member: They went right for the gate.

Madam Deputy Speaker: The more I listen, the more I think it is the hon. member for Moncton who is running around the rules.

Mr. Rideout: Madam Speaker, I accept your admonition.

I would like to say that there is a tremendous opportunity for us to put our financial institutions into a very competitive mode, to deal with the things that are happening in the global economy and to bring benefit to consumers.

I think we all agree that competition will lower prices to consumers, present new and different products and do all those things that will ultimately be beneficial to consumers. In our attempt to heighten competition we must be very vigilant in order to have those protections in our system so that we may protect consumers as well from those types of calamities that have occurred in the United States, with the failure of the savings and loan organizations and with the number of banks that have gone under.

We in Canada have not escaped unscathed. We have seen what has happened with Standard Trustco and BCCI, the Bank Credit Commerce International. We have to be vigilant and we have to make sure that the supervisory role and regulations are in tact.

As we have heightened competition we must also protect the downside by heightened supervision so that those institutions remain strong and vibrant.

I notice as well in the recent document coming down dealing with our Constitution we have recognized the opportunity that a restructured Canada and a restructured Constitution will be present for financial institutions.

Reading a report in *The Globe and Mail* of September 25 in the "Report on Business", there is the hope that coming out of some of the constitutional changes there will be the removal of some of the duplication and harmonization of rules and regulations.

I will quote from one of the articles in there which is headlined "A Ray of Hope for the Financial Sector: Ottawa aims to deal with duplication of trust company security regulations". The article goes on to say that the industry has long argued against duplication of financial service regulations and would prefer being governed by one national set of rules as the banks are.

I think that is a positive step, if we could move toward that particular area. That will require the provinces and the Canadian government to work out an acceptable arrangement.

It is mentioned in the document, talking about the streamlining of proposals and avoiding duplications between the different levels of government, and all will benefit as a result of that.

• (1210)

I should say as well that I am concerned about the Canada–Mexico–U.S. trade deal as it relates to financial institutions. We got caught in the last round of negotiations in which we opened our borders and the Americans did not. We did not get the access to the different marketplace items that we were supposed to obtain in the negotiations. I am very much concerned that as we proceed into the next phase and deal with Mexico, we will face roughly the same problems because Mexico has a very closed, restricted area of financial institutions. We will be opening up our institutions to the involvement of Mexico's financial institutions and we may not get the *quid pro quo* of being able to deal in that country and to have the financial institutions of this country in the Mexican economy.

As I have indicated, we in the Liberal Party are supportive of the general direction, the thrust of the legislation. We are looking forward to the opportunity of getting the advice and the contribution from the many institutions and sectors that are affected. We are looking forward to being able to make positive contributions to the debate on our financial institutions. We must do something to strengthen those institutions, to allow them to compete in the global sense, to allow them to provide to our consumers a wide range of products, and at the same time give our consumers the protection to know that their investments in those institutions are safe and that those institutions are sound.

Thank you, Madam Speaker, for the opportunity to address you on this matter.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I congratulate my colleague from Moncton. I want to come at this debate from a little different angle today because I think that most of us in this country have a different experience with banks than quite often we talk about in this House.

I have been walking the streets of my riding a lot in the last few months because the House has not been in session. Because we have a severe downturn in the economy a lot of the banking institutions have very tough lines of credit. What I hear quite often from businessmen and home owners is that the banks of this country seem to want to lend you money when you do not need it, but when you really need it they seem to want to shut you down; they do not seem to have any to give you.

A small businessman came to me the other day and said: "They announced the bank rate and the Bank of Montreal the other day reduced its prime rate to 9.5 per cent". The fellow got all excited and he went over to the bank and the bank manager said: "Yes, that is our rate but I do not have any money to lend you".

I hear this more and more and more in this country. I have had experiences myself with banking institutions in this country in which I have found on many occasions, not on every occasion, the bank managers to be very regimented in their thought process. I found them not to be very creative. I have found that their lives seem to be run by the central office, Bay Street. In other words, the head office will send out a memo that they are to cut back on lines of credit, or they are not to lend any more money out, or they are going through an added process whereby "before you advance money double check with us".

This does two things. It takes away from the creativity of the bank manager this centralized control. I am going to repeat myself a lot in the House over the next few weeks until I really feel that we can get to the government on this.

The second thing is that it really works against the hope factor that entrepreneurs need if they are going to grow, take chances and create jobs in this country. Quite often there is a fine line between continuing the fight to stay in business during tough times and just throwing in the towel.

I had a very specific situation just a month ago. There were a couple of doctors in my community who rescued a manufacturing firm in Woodstock, Ontario. The name of the firm is Amertek. It makes the finest fire truck in North America, probably the most unique fire truck in the world, so unique that it has received orders from the U.S. military. It has outbid American and European manufacturers. Currently this Amertek fire truck guards the President of the United States at the White House and also at Camp David. This fire truck served in the Persian Gulf and when its competitor fell flat because of the heat and sand conditions the Canadian fire truck was the only one that rose to the occasion. As a result of that it got additional orders.

To get to that point it needed a lot of additional research and development and as a result there was a tremendous strain on its line of credit with the bank. I am not going to mention the bank because I do not want to cause embarrassment to the bank and I do not want to cause any backlash for this great Canadian manufacturing firm, Amertek.

It went through a shocking experience because as it was putting this new order on line, and just as it was getting it rolling, about to deliver its first batch of trucks, the bank manager came back and cut its line of credit by 20 per cent without notice. It had payrolls to meet, suppliers to meet, and it just could not believe it, without notice. I should not say without notice. It naturally had some discussion with the bank manager but obviously after losing in this discussion the bank manager just called up one day and said its line of credit was cut by close to 20 per cent.

Thanks to the Canadian Commercial Corporation which is under the minister of trade this company was rescued. It is delivering its fire trucks. It has another order from Egypt. It has 180 of the finest craftsmen in the country working in Woodstock, and on and on it goes.

I do not believe the centralized power of the banking institutions in this country is right. I do not believe it is serving the Canadian taxpayer. I do not believe it is serving small and medium sized businessmen. I realize that we need to have credit regulations. I support the idea of making sure that the Superintendent of Financial Institutions has access to books and records of all financial institutions, but what I am against is this feeling that there are five or six major banks in this country. There is a perception that they are a clique and they are all in the same bathtub. If you are shut out at one bank, you are basically shut out at all five.

Somehow we need to communicate to small and medium sized businessmen especially that there are other options. There are other options for capital out there. We can go back to the committee and make adjustments on certain aspects, but the main thrust of this bill I totally support. We need more competition in the financial arena. We need to create more hope in the marketplace for small and medium-sized entrepreneurs in this country.

• (1220)

Just this Monday I talked to the chairman of a major trading house in downtown Toronto. We talked about the fact that there seemed to be so little capital in the market, so little capital for banks to lend to get the economy going again. There have been such large borrowings because of our deficits, not only federally but provincially, which are causing a tremendous strain on our dollar, pushing it upward because of the offshore conversions. However, there are many insurance companies that do have large pools of capital. So, from my reasoning, any effort that would allow a restructuring so that those pools of capital could be more readily available to those smaller and medium-sized businesses is a good thing for the country.

If business has a feeling of confidence in the sense that it is properly financed, then the entrepreneurial spirit naturally is willing to take more risk, and in that process of taking more risk it is going to create more jobs. If we can create more jobs, it is going to put less pressure on our unemployment insurance disbursements, our welfare disbursements and our refugee fund for that matter.

Right now the problem we have in this country is that we have about two million people unemployed. We have entrepreneurship in this country that is almost in a frozen stiff mode. It is basically working from month to month. There is a nervousness and a low morale out there in terms of business. Their bank lines are tight, there is not a lot of cash going around and, as a result, they are not taking any chances.

I know the hon. member from Mississauga supports this. What we have to do is somehow figure out a way to get that entrepreneurial spirit unleashed again. Right now, I believe the best way to do that is try and let that

entrepreneurial spirit have a feeling that just because businesses are turned down at one of the major banks in this country, it is not the end of the line.

The member for Mississauga South mentioned to me earlier today that there are about 55 banking institutions in this country to which business has access. That is an important point to know, because I believe that most of us who come from a small business background have a perception there is only the big five banks. Most people do not realize that there is a whole litany of financial institutions out there. I think somehow we, in this House, have to promote the fact that there are a lot of financial institutions.

However, I think that the insurance companies, which have these large pools of capital, should, with regulation, be given the opportunity—and maybe we can do this in committee—to organize their lending practices in a way that it can meet certain social objectives. The member for Chambly says it will not happen. The converse is that if we do absolutely nothing, we keep the status quo. Keep them in their cages. I cannot support that right now and I will tell you why I cannot support it. I have not seen any sign from the major lending institutions in this country that their attitude toward small and medium sized business is going to change without some other competitors coming at them.

The member has a different view than I do and I do respect his experience in Quebec. I would also like to refer to the experience in Quebec of the member for Chambly, and I stand to be corrected, where the *caisse de dépôt et placement* will actually go out and invest in smaller and medium-sized business and convert equity in that business into loans. Is that not correct?

I can handle something like that. I wish that our major lending institutions would be more progressive. You have to understand where I am coming from. I am trying to unleash the entrepreneurial spirit that exists in this country.

Right now the mechanisms we have in place are not doing that. I think that the *caisse de dépôt* system of investing in small and medium-sized businesses is a great one. I think that that idea should be promoted and expanded to every region of the country. I think it is a progressive measure.

We need something similar in southern Ontario right now. If we had a situation like this, then an organization like Amertek, which was nearly put out of business a month ago had it not been for the rescue—and it was a constructive approach from the Canadian Commercial Corporation—we would have lost that potential. I am behind this bill. Until I am convinced otherwise, I have to stay my ground.

The other thing my colleague, the member from Prince Edward Island talked about was the commercial complaint section. Very few people who do business with banks realize that there is a commercial complaint section. This is a new feature of the bill, where all of the complaints have to be registered in the Superintendent of Financial Institutions' report. I think that is a very important feature for the people of Canada to understand.

If any one of us as members of Parliament or anyone in business makes a mistake, we certainly are accountable. If we are perceived to have done something wrong, we get up in the morning and read about ourselves on the front page of any paper of this country or see ourselves on national television. It seems to me that the financial institutions of this country have some kind of a special sort of status. They are protected from being challenged when they are not treating consumers fairly. I like that particular aspect of the bill, where there is a consumer complaint section, so that if someone feels that they are not being treated fairly, they have access. They have a recourse. In other words, if you feel the local branch manager is not treating you fairly under this new bill, you now can call the consumer complaint section, put your complaint forward and that actual complaint, whether it is justified or not, has to be reported by the Superintendent of Financial Institutions. I think that is a good thing.

I certainly support the New Democratic Party's view on credit unions. The credit unions in this country, which have done a fantastic job in western Canada especially, do not seem to be as high profile in my part of the country, the Toronto region. I think there is an option of opportunity there in putting forward the services that

credit unions have. I am certainly not against credit unions.

All in all, the point that I want to make is that the major banking institutions in this country right now, perceived or otherwise, do not seem to be putting forth an image that they are there to really motivate, to assist the entrepreneurial spirit in this country. I have met many bank managers in my career and some of them are downright smug. Can you believe it?

• (1230)

We have to communicate in a constructive way with our lending institutions the fact that as their attitude towards entrepreneurship in this country goes, so goes our general economy. Anything that will advance the competitive spirit, anything that will advance a greater respect to the spirit that drives this country and creates jobs, I must get behind. Unless in committee this bill can prove to me to do otherwise, I am in total support of it.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I would like to ask my hon. friend one question. He says he supports the bill because he has a real problem with the way banks have operated.

Can he explain to me how come he is in bed with the banks, because the banks want this bill. They want it. I want to know if he cannot see that the banks are the powerful ones now and they will become more powerful with these added provisions.

For example, already one of the banks is in the development business. It is going to build a big building for Ontario Hydro. The Canadian Imperial Bank of Commerce is already a developer. Can he not see that loosening up and opening the cages will do exactly what he does not want them to do? In fact, he is on the same side as the bankers with respect to this bill. Why does he think they want it?

If they thought it was in any way going to encroach on their power, they would be furiously lobbying every member of this House. Yet he is on the same side as the banks in wanting this bill. I find that rather contradictory.

Mr. Mills: Madam Speaker, I have enormous respect for the member for Nickel Belt. This is only the beginning of my fourth year in the House of Commons. I watched him for years before that when I had the privilege of working in Mr. Trudeau's office. I have always thought that he made a lot of sense.

I cannot believe I am working against myself on this bill. This bill is going to committee and as I said in speech, if this bill is not going to meet the objectives of creating a more competitive market, if this bill is not going to do some of the things that the *caisse de dépôts* in Quebec are doing for smaller and medium-sized business, if this bill is not going to stimulate an attitude which will allow more capital to come into the market, then I have a different view of this bill than you do.

Just because bankers want it does not mean to say that there are not aspects of the bill that cannot serve the general good. I do not see this as consolidating the banking institutions any more. How can it be consolidating the banking institutions position when, in fact, we are creating more competitors for them?

It is not just the insurance companies. It is foreign institutions. I stand to be corrected on that by the member for Mississauga South. Is this not going to allow more foreign institutions—

An hon. member: BCCI.

Mr. Mills: You can use BCCI as an example. I think AMEX, American Express, is a good example. I was reflecting on that when my colleague for Malpeque spoke earlier.

The American Express approval by the cabinet is something that I do not think we have ever taken full advantage of in this country. We think of American Express right now, most of us in terms of a green card or for a few of us, a gold card. But it dawned on me today while listening to my colleague from Malpeque in this House that the American Express is no different today from the Bank of Montreal or the Bank of Nova Scotia.

Maybe we should be telling that to all our small and medium size businesses, telling them to go out there and test it. This is again where we talk about broadening the competitive base. I am not against American Express having a banking charter as long as it lives up to the responsibilities and duties of a banking institution. If we find from small business and others across this country that it is not lending money, well then I think we bring it back to the committee and say it is a farce, it is a joke. However, we have not tested that yet.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to have this opportunity to question my colleague from Broadview—Greenwood because I thought that in his brief intervention he made considerable sense.

What I was having trouble with was the hon. member for Nickel Belt's speech which, while lengthy, left me confused as to the position of the New Democratic Party. I know that the hon. member for Broadview—Greenwood is not an expert on that, but he heard the speech of the hon. member for Nickel Belt and I wonder if he could illumine us. What is the position of New Democratic Party members? They say they favour increased competition, at least with insurance companies. I thought they said they were in favour of allowing banks to take over insurance companies and offer insurance as part of a package.

An hon. member: Oh, no.

Mr. Milliken: I heard the hon. member for Chambly say that he supported the fact that Quebec *caisses* were able to sell insurance as well. He said if it was good for them to be able to sell it, it must be all right for banks to sell it. Yet now they are saying that is not their position, that it is not okay for banks to sell it. Or, is it? I think the hon. member for Nickel Belt is terribly confused. I wonder if the hon. member for Broadview—Greenwood was able to make more sense out of that speech than I was.

Mr. Mills: Madam Speaker, my colleague from Kingston and the Islands is making this very difficult for me. I was, as I said in my previous question, a bit confused by the member for Nickel Belt. I can tell you that subsequent to his speaking I walked along the hall and spoke to him because I did not understand where he was coming from. To my colleague for Kingston and the Islands, in fairness he did—not in the House but behind the curtain—clarify some of his points of view. If I could dare—

Mr. Milliken: To put words in his mouth.

Mr. Mills: To put words in his mouth, right. The member for Nickel Belt is not against competition. He is not against helping small and medium sized business. We have a different point of view. He is concerned about the fact that it is only going to be short-term competition by allowing these other financial institutions to compete in the free flow of capital.

I differ from that view. I think it will be more than a short-term gain. I think it will produce a long-term benefit to everyone. With respect to his point about being concerned about people losing their jobs, I would need more information on that because I cannot see that.

As far as the member for Chambly goes, I like his idea about the *caisse de dèpôt et de placement* investing in small and medium size businesses. I wish we could figure out a way to steal that idea from Quebec and bring it to Ontario and other parts of the country. I wish our larger financial institutions would maybe take a page out of the *caisse de dépot*'s book.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I enter the debate only for the purpose of going over in this House some of the history of this legislation and the great deal of work that has been done by members on all sides of the House in actually formulating the bills we have before us and Bill C-4 that has been dealt with by the finance committee.

• (1240)

First of all, this issue became an important issue in 1982. The then government formed a committee called the Dimma committee. It studied the re-regulation of banks and other financial institutions, trust companies, insurance companies and the like.

After the 1984 election, the Secretary of State for External Affairs, then Minister of State for Finance, produced a green paper. That green paper was an analysis of the financial companies that we had in the country. Immediately after that paper, the finance committee of this House made a thorough study of the financial implications of the green paper and produced for the House a very long report.

That long report was to some extent influenced by the collapse of the Canadian Commercial Bank, the Northland Bank, and the collapse in that one year alone of one trust company, mortgage company or insurance company every month in 1985.

We have done a great deal of work here. As a result of the report of the finance committee and as a result of the report of the Estey Commission inquiring into CCB and Northland as a result of the work by the Senate, the government produced a blue paper under the auspices of the hon. member for London West who was then Minister of State for Finance.

That paper met a great deal of discussion right across Canada, with every institution and members on all sides of this House. I particularly remember the efforts of the member for Kamloops who was leading for the New Democratic Party on the finance committee at that point. He was followed up by the hon. member for

Ottawa Centre, Michael Cassidy, a former member. Raymond Garneau and Mrs. Nicholson from Toronto of the Liberal Party both worked very diligently with the committee trying to work out how these institutions might be organized and how the legislation might be worked out.

I want to say that the legislation that we have is non-partisan legislation developed as a result of a great deal of consultation and work by members of this House going back to the Parliament of 1981, 1982 and 1983 and moving forward since then.

This legislation has the approval of almost every person involved in the insurance industry in this country, almost every person involved in the credit union movement in this country, almost every person involved in the trust company industries in this company, and the approval of the Canadian Bankers' Association across the board.

They all have their own little extra that they would like out of the bills. We are going to have to make some arbitrage there, but the leading spokesman of every one of these organizations and their lobby groups has been to see me as the former chairman of the finance committee and other members of this House. They have said how important this legislation is in order to re-regulate and make things work in a more modern way for the good of us all.

While we have done a lot of work, we have more work to do in the finance committee in terms of making sure that the bills work as well as they can. I think this House should be commended for the effort particularly of members of the House for making sure that the bills are the kind of bills they are and are now before the House.

This is a non-partisan bill. This is not an NDP bill, a Liberal bill or a Conservative bill. This bill has been developed by this Parliament, the previous Parliament and the previous Parliament by members deliberately working together to come to grips with the issue.

I think we have some more work to do, but we ought to move ahead as quickly as we can to make sure the matter receives that detailed consideration that it must yet receive.

Mr. Phillip Edmonston (Chambly): Madam Speaker, I was listening very carefully to what the hon. member was saying. I also particularly respect what he has to say because of his experience on the finance committee as chairman.

He mentioned in passing—and I find it very intriguing—that he feels that there is some work to do. That means that he is not completely satisfied with the bill. I am sure that there is no bill which is perfect and there is always some work to be done.

I would like him to take this opportunity in a non-partisan way because he is right, it is not an NDP bill. It is far from an NDP bill, I can assure him of that, but it is not a Conservative bill and it is not a Liberal bill. If he has some reservations as he seems to have indicated, I would like to know what they are because perhaps we will find a certain commonality of objections. Perhaps that would also help the committee when it looks further into this question.

Mr. Blenkarn: Madam Speaker, as I explained to the member for Malpeque, these three bills that we have right here represent a little over three and one-quarter or three and one-half inches of compressed printing. The other bill we have already passed is another inch and a bit of compressed printing. We have a good four and one-half inches or more of compressed printing in trying to develop a financial system.

I think that there are some small conflicts. For example, I see no reason why banks should be required to have two auditors, whereas trust companies and insurance companies can get along with one. I have spoken to people in all of the industries on that. There has been some concern and there is room for some discussion. It just seems to me that it is really the depositor who pays. It is really the insurance person who pays and, if you increase the overhead of an organization, they can pay less in interest to their depositors and they are less efficient.

There have been some representations in connection with insurance companies and their right to borrow in the marketplace. I want to look at that and I want to look at their ability to take in what amounts to deposits.

I think there is some misapprehension around when you talk about insurance staying in insurance and banking staying in banking. None of these institutions have been operating that way for a very long period of time. For example, insurance companies in this country really only do 20 per cent of their business as insurance. That may seem strange but in effect our major life insurance companies are really in the business of selling annuities.

They are in the business of selling deposit receipts and in effect they are operating as come to your home bankers.

This legislation brings that into line and so it is important that it be passed. It is important that we understand that the overlaps that already exist in the financial community are very significant. It is important that the regulation of that be as set out pretty well in the bills.

I want to say that at this point what we are really looking at is fine tuning legislation that has had a pretty good run over with the finance committee already. You may recall the hearings held well before Christmas of last year for all the witnesses dealing with a white paper produced by the present minister. It resulted in a great deal of agreement. We then spent a great deal of time on clause by clause consideration of what is now Bill C–4. I expect that when you are talking about differences and things that must be changed, we are really talking about very minor matters.

• (1250)

To a large extent all of the issues have been in a sense brokered to make sure that it works out that each head of financial responsibility, each pillar if you want to put it that way, has its defined area. That defined area can be easily examined and inspected to make sure of the sanctity of depositors' money, the sanctity of the rights of people who pay premiums for insurance and so on.

We have to make sure that these companies that are given privileges and benefits and are allowed to do a certain class of business in Canada that is really for the benefit of the public, operate for the benefit of the public and operate in a way to ensure the protection of deposits. Our whole work has to be to make sure that these companies operate as well as they can.

I think we are getting there, so when you ask me what has to be done there are only a few things.

Mr. Edmonston: Mr. Speaker, I was assuming that at this point we were resuming debate. May I have clarification from the Chair?

[*Translation*]

The Acting Speaker (Mr. Bernier): Are there any more questions?

An hon. member: No.

The Acting Speaker (Mr. Bernier): Resuming debate. The hon. member for Chambly.

[*English*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I listened attentively to my colleagues and particularly to the former chairman of the finance committee. I found him to be both to the point and concise, and I am going to try to follow his example and do the same thing.

I would like to mention that we must not play any semantic games here. This is a major piece of legislation. This is a piece of legislation that I believe will have major effects on consumers across this country. It is something that has taken three, four, five years to get to this point. It will certainly not harm these institutions which have had record years if we take the time to look seriously at the potential consequences. I feel that in doing so we will benefit consumers generally.

My general feeling here is that if something is not broken why fix it. I am not quite sure that the system as it is now needs the intervention of Parliament, needs this legislation at this time. I must say most emphatically that the NDP is not against competition. We want to see competition. After saying that, we are quite properly against this bill because, after rational analysis, non–partisan I believe because we have looked at the bill itself and not just the ideology, we do not think that this bill provides what it pretends to provide. That is why we have debate going on today.

I would like to mention certain aspects of Bill C–19 and in my comments I would like to target the question of abusive power, possibly, as well as the banks selling insurance.

On banks selling insurance, in one sense we are much in favour of that. As I said I used the Quebec analogy. As a Quebecer I am very pleased to see that Quebec has taken the lead in this. I must respond to what some of my Liberal colleagues have said: "That means that banks should be able to own insurance companies".

I am saying that it does not mean that. Quebec has a *caisse populaire* system, which I am completely in favour with, selling insurance policies.

[*Translation*]

And I would like to explain for the benefit of my Liberal colleagues that a number of years ago, we in Quebec realized that letting credit unions sell insurance could be beneficial to the entire community. I remember we had the same kind of debate in the National Assembly. At the time insurance brokers told us that if we let credit unions sell insurance, they would all lose their jobs.

There were also consumer groups—and this was one of the few times I disagreed with them—who said: If we let credit unions sell insurance, it will cost us a lot more, because they will force us to buy insurance from them by engaging in tied-in selling, which means they won't give us a mortgage or anything else unless we buy insurance from them. They will take advantage of the power they have over the market.

Another objection was that the *Caisses populaires Desjardins* were so powerful in Quebec that they would control the market. I heard my Liberal colleagues saying it can't be done and that jobs will be lost. There were the same old arguments that people would lose their jobs, that it would be a closed market, that there would be so many problems that it would restrict entrepreneurship. All I can say is that in Quebec, speaking of entrepreneurship, I don't think there has ever been any legislation that would be able to reduce the spirit of entrepreneurship in that province.

However, there is a difference when we are talking about letting banks sell insurance on the same terms as the credit unions. Credit unions, and especially the *Caisses populaires Desjardins*, do not have the same mandate as the banks. A credit union's responsibilities are different, because it is owned by its members. The *Caisse populaire Desjardins* and other credit unions are not banks. In other words, they are not bankers. My colleague referred to a smug, anti-consumer attitude. Credit unions don't have that attitude, not at all. They are truly integrated organizations, which is to say they are an integral part of the community and reflect the community's needs.

I think it is somewhat exaggerated to say that since the *Caisses populaires Desjardins* and other credit unions in Quebec sell or market insurance, this means that companies, and especially banks, should have the right to purchase insurance companies. I say no. As was said by the chairman of the Finance Committee—in fact, he was quoted by my colleague from Nickel Belt—let the banks do the banks' work and let other companies do theirs. I think that is very sensible, and I fully endorse my colleague where he quotes the former chairman of the Finance Committee.

I would like to say a few words about abusive powers, because I have worked for a long time as a consumer advocate. I have seem examples of abuse of power by banks. I remember clearly my experience with the *Banque nationale du Canada*, the BNC. I believe the president at the time was Michel Bélanger, one of the joint chairs of the Bélanger-Campeau Commission. In my brief to the commission, I mentioned the fact that the *Banque nationale du Canada* had a certain view of Quebec society, and that it was a corporate view. I do not endorse that kind of view nor the vision of the *Banque nationale du Canada* as expressed in its actions.

The case I quoted was mentioned in a judgment by the Supreme Court, and I am referring to *Houle* vs *Banque nationale du Canada.* The Supreme Court judgment contains a number of facts relating to abusive power, and they are absolutely terrifying. We have a bank that pushed the president or owner of a small business into bankruptcy because it did not give the owner of this small business a chance to pay its debts. It proceeded with a seizure before the judgment, and the gentleman was obliged to declare bankruptcy. !ALP/jc1300-2

Madam Deputy Speaker: I am sorry to interrupt the hon. member for Chambly, for the time being, and I am sure he will wish to continue his speech later this afternoon.

It being one o'clock, I do now leave the Chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

THE CONSTITUTION

Mr. Nic Leblanc (Longueuil): Mr. Speaker, over the last 30 years, Quebec has acquired economic and political institutions to meet its needs. It did so in its own way, with its own resources. The general public and business people are proud of these achievements. Moreover, they are working very hard to make them more effective.

Today the federal government wants to meddle in our affairs. It wants to create new powers, new standards, new agreements and impose them on Quebecers. That is totally unacceptable. First, it will lead to new confrontations and aggravate the existing tensions. Second, it will make the political and legislative process more cumbersome, slow it down and hurt Quebec's economic development.

I therefore call on Quebecers to reject the federal government's constitutional proposal.

* * *

[*English*]

EL SALVADOR

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the people of El Salvador has endured the devastation, destruction and death of a 12-year old civil war.

Yesterday, leaders of the FMLN and the Salvadoran government signed a peace agreement under the auspices of the UN that brings hope for a ceasefire before the end of the year.

As well, measures agreed to in this peace accord will set a constructive course towards the democratization of the political process in El Salvador.

New Democrats have long supported a peaceful resolution of the civil war and we have consistently raised in the House of Commons concerns of the Salvadoran people regarding human rights violations, international aid and Canada's policies in Central America.

We applaud the efforts of Secretary General Perez de Cuellar for his role in the negotiations that led to this accord and urge both the FMLN and the representatives of the Salvadoran government to stay the course of peace.

* * *

POTATO INDUSTRY

Mr. Joe McGuire (Egmont): Mr. Speaker, the PVY-N situation in the Canadian Prince Edward Island potato industry has become farcical. The industry has been thrown into chaos. Borders are closed and millions of dollars are lost and now we find that testing proceedings which led to all this are found to be flawed.

In a follow-up test, 8 out of 10 samples originally labelled positive have been found to be negative, an 80 per cent error rate. Agriculture Canada, badly understaffed in the technical area, made a call. That call was in large part wrong.

Now we have a case in Saskatchewan where a tuber imported from the United States has tested positive. This diagnosis was confirmed in three separate labs.

I ask the Minister of Agriculture to intervene in the situation and order a complete retesting program to eliminate the errors made, take action to have the U.S.A. institute a testing program the same as the one forced on P.E.I., apply the same import restrictions against the United States as they have applied against us and, finally, call a full-scale into the entire problem so that once and for all the air will be cleared and the industry will know where it stands, both nationally and internationally.

* * *

CROSS-BORDER SHOPPING

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, aggressive advertising, exchange rates and tax on gasoline are all major factors in the cross-border shopping issue.

Over recent years all members will know that cross-border shopping has been on the rise and same day trips to the U.S. are increasing at an alarming rate in border communities like mine of Sarnia—Lambton.

This trend cannot continue. Cross-border shopping has severe economic consequences for Canada, as well as serious implications for federal and provincial governments. Both are concerned about the negative impact on employment.

Both are also losing considerable tax revenues. A study by the consulting firm Ernst and Young estimated the total tax loss, excluding income taxes, was $15 million for 1990 in Sault Ste. Marie alone. So what does this figure mean again? It means tax loss for the provinces and, of course, the retailers are suffering, especially in border communities like mine that is on the leading edge of this phenomenon.

* * *

YUGOSLAVIA

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, yesterday in Yugoslavia, federal forces in the Republic of Croatia attacked targets in the town of Vinkovci with napalm and cluster bombs.

According to western news sources, one of their targets was a barn that had been converted into a field hospital and was clearly marked with a red cross. Mr. Speaker, as a signatory to the Geneva Convention and the UN Charter of Rights, Canada must denounce the use of napalm and cluster bombs on civilian and Red Cross targets. We must use our influence in the world community to put an end to the atrocities being committed in Croatia.

This is a situation which poses a serious threat to world order. The world stood up and took notice when Saddam Hussein threatened the use of chemical weapons against the innocent people of Kuwait. It must do the same today for the inhabitants of Croatia, and Canada must lead the way.

* * *

[*Translation*]

THE CONSTITUTION

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I sat on the Bélanger-Campeau Commission for a long time. I kept quiet out of respect for my colleagues and the institution I represent.

Throughout this commission, people called for a plan for society. They kept asking for economic union. They demanded recognition of the distinct society. I can say that the document the Prime Minister has just presented gives Quebec all that.

The party poopers, bogeymen, eternal skeptics, wreckers, the Bouchards, Laroses, Brassards and their ilk are at work demolishing our house, which is part of our national heritage. The laws covering heritage, in Quebec as in Canada, will not allow these dream merchants, these charlatans to achieve their personal ends by demolishing what Quebecers cherish most: our feeling of belonging and our pride.

And to those who would not know that, I say it in French, in our Parliament in Ottawa.

* * *

[*English*]

MINISTER OF JUSTICE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, last week Canada's first female Minister of Justice compromised every feminist principle she claims to espouse. Recently her colleague, the Conservative member of Parliament from Burlington, referred to a female member of the Liberal caucus as a slut.

The Minister of Justice said this was okay because he was provoked. She said the hon. member—

Mr. Speaker: We have a longstanding tradition that in statements by members there should not be a personal attack against any other member in the House. The hon. member is, I think, very much on that course and it does disturb me. If the hon. member wants to finish his statement and make a point, I will of course hear him.

Mr. MacLellan: The point is that it is inconceivable that such a dangerously partisan defence of the indefensible would come from the Minister of Justice, who convened a Women and the Law conference and who frequently refers to herself as a feminist.

May I suggest to the minister that she re-evaluate her own principles when she suggests that sometimes a woman deserves to be attacked with such venom and hatred because of her—

Mr. Speaker: Just a moment. The hon. member is a long time and distinguished member of this House and I know that he feels very strongly on the issue. However, I think we ought to proceed and hear another member.

The hon. member for Portage—Interlake.

S. O. 31

THE CONSTITUTION

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, when I asked Deborah Wehrle, a charming law student at the Ottawa Law Society, her opinion on the constitutional package, here is what she said:

> The constitutional package presented to Canadians on Tuesday, September 24, sets out an innovative plan to remove barriers to interprovincial trade in Canada. This change will help ensure economic recovery and future prosperity. Let us take a cue from Europe. Diverse European countries have committed themselves to the elimination of trade barriers in a common market to enhance their competitiveness. This sets a fine example. In Canada we are already united as one nation. We have a great tradition of hard work and co-operation. It is time for Canadians to recognize the key to our 124 years old success story. Our country has prospered because of a commitment to rise above our differences, to overcome geographical distances, and pool our strengths.

• (1410)

The Conservative Party is committed to creating a strong domestic market which can compete globally. It is time to focus on creating an effective, internal market and strong economic union to ensure prosperity in Canada in the 21st century and beyond.

* * *

ALGOMA STEEL

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I would like to talk about Algoma Steel.

In May of this year, I asked the Minister of Industry, Science and Technology what he thought of employee ownership. He endorsed the principle. He suggested I speak to the Minister of Finance about it. I asked him in the House of Commons, and he endorsed the principle.

I met with the minister last week. He said: "I cannot give you an answer. I am waiting for the Minister of Industry, Science and Technology", so it is back in his ball court.

If I may, I will quote the Minister of Industry and Science. He said: "I will help Algoma when I am convinced it will dramatically be restructured".

It has been restructured. It is in the process of being restructured. We will lose 1,600 or 1,800 jobs. What is the definition of restructuring to the minister, 3,000 people or when the whole plant is closed down?

We ask the minister to make a recommendation to the Minister of Finance to assist us now, be it tax credits, older worker adjustment, bridge pensions or whatever. We ask them not to be passive spectators at the table for Algoma restructuring. The federal government must participate.

* * *

EXTRADITION

Mr. Bill Domm (Peterborough): Mr. Speaker, today I applaud the decision of the Supreme Court of Canada to send Joseph Kindler and Charles Ng back to the United States.

No longer will Canada be considered by the likes of Ng and Kindler as a safe haven to escape capital punishment.

No longer will the likes of these men consider sliding down the wall on bed sheets to escape justice in the United States.

No longer will the victims in the United States be denied justice in seeing Ng face the charges for the 19 violent murders he is accused of in California.

My thanks go out to all members of this House, the justice committee and victims of Violence International for assisting in this seven year fight to extradite Ng and Kindler. I am doubly pleased to be able to advise the United States victims in the Ng case that they will finally see justice.

In closing, a special thanks to the 185,000 Canadians and Americans who wrote to members of this House of Commons urging for justice to be seen to be done in the United States and to return Ng to the proper justice he deserves.

* * *

ARMENIA

Mr. Jim Peterson (Willowdale): Mr. Speaker, last Saturday Armenians voted 99.3 per cent in favour of independence, marking the end of 71 years of communist rule.

This was an historic moment for a people so touched by persecution, occupation and natural disaster.

In 1915, the genocide at the hands of the Ottoman Empire killed 1.5 million Armenians. Armenia gained independence in 1918, only to be occupied in 1920 by the Soviet Union.

Over the last three years, Armenians have suffered the worst ethnic violence in the republics, with 2,000 killed.

The people of Armenia and the Armenian community here in Canada have dreamed of the day when their country would be independent. Today, we share in that joy.

Armenia faces a number of economic challenges: the exodus of Armenians from Azerbaijan and the 1988 earthquake that left 500,000 homeless.

We look forward to the day when Armenians of Nagorno-Karabakh become part of Armenia. We seek recognition by the world community and Canada of the genocide.

We call upon the Government of Canada to recognize Armenia and to help Armenia achieve its aspirations of becoming a prosperous, democratic nation.

* * *

[*Translation*]

LEADER OF THE BLOC QUÉBÉCOIS

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, Quebecers are starting to discover the real motives behind the negative attitude of the Bloc Québécois leader. Every time he opens his mouth, we realize that he has nothing more to propose and that he is only seeking to destroy Canada. His national sport is rejecting out of hand any proposal that does not come from his small mind.

From listening to him, Mr. Speaker, the children and uninformed people in Quebec would end up believing that all the *Caisses populaires* would move to Alberta. Nothing less than a scare campaign from the Bloc Québécois.

Mr. Speaker, Quebecers will not accept for much longer the permanent indignation and half-truths that come out of the mouths of Bloc Québécois members. Instead of making concrete proposals, the leader of the Bloc Québécois prefers to act in the federal Parliament like a puppet of Jacques Parizeau or Gérald Larose. What a shame for Quebecers!

* * *

[*English*]

HUMAN RIGHTS

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, more than five years ago this government had promised to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation. Canadians still await this important legislation. Yesterday, Judge Joseph McDonald ruled that the Canadian Human Rights Act is unconstitutional because it fails to protect lesbians, gay men and bisexuals from discrimination. The right to be free from discrimination based on sexual orientation has been put into law in Quebec, the Yukon, Manitoba and Ontario.

I call on this government and this Minister of Justice to introduce long-awaited amendments to the Canadian Human Rights Act. It is time to ensure that Canadian lesbians, gay men and bisexuals can live in dignity and freedom from discrimination.

* * *

FORESTRY

Mr. Dave Worthy (Cariboo-Chilcotin): Mr. Speaker, yesterday was a very important day for anyone concerned with this nation's forests. Our minister announced in Toronto the new program Partners in Sustainable Development of Forests. This initiative will help establish a network of forests that will become working models for sustainable forest development. The model forest will demonstrate the most advanced scientific methods, techniques and forestry practices.

The partners program will promote a broad balance between all users of our forests and demonstrate Canada's commitment to our international responsibilities as one of the world's major forested nations. Through the key partnerships with provinces, with industry, with forest owners, with native groups and environmental organizations, this program is another example of Canada's support for the principle of sustainable development.

Oral Questions

THE CONSTITUTION

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, our government recently released a package of proposals to renew the Canadian federation. It is my hope that Canadians will look at these proposals and put forward their concerns and ideas in an open and rational manner. This should not be regarded as an emotional issue. This is primarily about federalism, economics and history.

Canadians are on the brink of undoing that which the European Economic Community has striven toward for 50 years. Quebec separation means the isolation of the maritimes. That could lead to a separate Ontario and a separate British Columbia and hence, the destruction of a country that has developed to become one of the two most preferred countries to live in in the world.

Our country's future is in our hands. Canadians, I urge you to grow up, wake up, familiarize yourselves with our history in order that we may have a future.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister and Minister of Finance. The Bank of Canada Act says that the Bank's role is to use monetary policy to mitigate "fluctuations in the general level of production, trade, prices and employment—".

The proposals on economic union tabled this morning want to eliminate any reference to production, trade and employment. I therefore ask the Minister of Finance why he wants to take from the Governor of the Bank of Canada the obligation in setting monetary policy to ensure job creation for the unemployed in this country.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I think the hon. Leader of the Opposition would share the view that in order to achieve sustainable growth, one must have price stability. There is clearly historical evidence of that fact. As a matter of fact, if one were to look at some of the leading industrialized nations of the world, particularly looking at Japan and Germany, one would find that they have had excellent growth and more than reasonable price stability.

What this attempts to do is clarify the mandate of the Bank of Canada. It has been criticized in some quarters as being overly broad, ambiguous and can tend to be contradictory on occasion. It is in that respect that we are attempting to clarify the role of the Bank of Canada to achieve price stability, and to achieve price stability, you can achieve sustainable growth with job activity.

• (1420)

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, this government and the Governor of the Bank of Canada have been obsessed with fighting inflation for five years now. Today we have a high for the last six years in unemployment, and we still have a very high level of inflation.

I want to know from the minister why he wants to take away the responsibility of the governor of the bank, in setting the monetary policy, the obligation to look at the unemployed. Why does he want to give a green light to the governor of the bank to not care at all about the level of employment in Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there may be a fundamental difference in the goals and objectives of this government as compared to the position of the Liberal Party.

What the leader of the Liberal Party would advocate is high inflation, high interest rates, high deficits, slow growth and high unemployment. That is the record of the past. If one looks at the period in Canada from 1950 to 1973, one will note that there were inflation rates that averaged about 2.8 per cent with growth in excess of 5 per cent. When inflation was up around 9 per cent, the rate of growth fell to about 3 per cent or 3.1 per cent.

It is not only Canada that is pursuing this goal and objective. The over-all goal and objectives of the Group of Seven countries is designed to achieve price stability and sustainable growth. The goals and objectives of the OECD are likewise. Just recently, Mr. Laidler of the C.D. Howe Institute said that the target of price level

stability is both appropriate and feasible and the bank's mandate should be updated accordingly.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, you can have growth and you can have price stability but you have to make sure in the process that you do not create unemployment in the country. One good way to achieve this is to have an economic union. I am very pleased to realise that at last the government has read the document *Securing the Canadian Economic Union in the Constitution* that I tabled in this House 10 years ago, and that was opposed by all the members of that party. Never in this document did we want to take away the responsibility from the governor of the bank to look after the unemployed in Canada.

Will this government change its policy and make sure that the monetary policy of Canada takes into account that we have to create jobs for Canadians and zero inflation will not do any good if we have 25 per cent of the population not working? What we want is jobs for Canadians.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the best way to create jobs is through sustainable growth and sustainable growth can be achieved through price stability.

I am very pleased that the hon. member is pleased about the over-all package. I am sure that he would be pleased to note that in connection with the question that he just put, the document at page 39, in consideration of price stability, says: "Monetary policy should be conducted with due cognizance of the path to price stability that best contributes to other Canadian objectives". One of those Canadian objectives is obviously growth, job creation and economic activity throughout the country from coast to coast to coast.

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance.

The minister speaks about doing nothing more than clarifying the mandate of the Bank of Canada, but in the document he tabled today he says "their references to mitigating fluctuations in production trade and unemployment—should be eliminated." That is not elimination, that is massacring.

If the Minister of Finance is serious about encouraging jobs, production and growth, why does he want to take any references about them out of the mandate of the Bank of Canada? How can he be taken seriously if those words are eliminated?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is being taken seriously because this issue is being taken seriously around the world. Whether it is the Group of Seven industrialized nations, whether it is the OECD group of nations, whether it is the United States, whether it is Japan, whether it is Germany, all are committed to the goals of price stability because if you have price stability you will have sustainable growth and if you have sustainable growth, you will have job creation activity.

Right here in Canada the C.D. Howe Institute which certainly is not a Conservative think tank—

Some hon. members: Oh, oh.

Mr. Mazankowski: The hon. member quotes it quite often. I remind the hon. member that the recommendation that was published in a paper by Mr. Laidler said "the target of price level stability is both appropriate and feasible and the bank's mandate should be updated accordingly", and that is precisely what we are doing.

Hon. Herb Gray (Windsor West): Mr. Speaker, the minister boasts about his policies of price stability. What have they brought us? A made-in-Canada recession, one and a half million people unemployed, our export industries in absolute crisis.

I ask the minister why, through the policies announced today, does he want to continue to enforce forever on Canadians policies of recession and unemployment and force the provinces to do the same thing. Can he explain that to Canadians who are already suffering the burdens of his misguided policy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is absurd in his interpretation. I have tried to make that clarification in response to earlier questions. What the hon. member is really proposing is a policy of high inflation, high interest, high deficits, slow growth and high unemployment. Canadians have had enough of that. The only way to achieve sustainable growth is through the containment of inflation and price stability.

All we have to do is look at what has happened in Japan: low inflation, high growth, prosperity. Germany: low inflation, high growth, job creation.

You can go around the country and prosperity is linked very clearly with sustainable growth and price stability, and that is what we are attempting to achieve.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs. Price stability is indeed important but those people who do not have jobs, who cannot buy anything, are more concerned with getting a job and contributing their skills to society.

Yesterday the minister indicated in committee that he might be willing to reconsider the proposal to make reducing inflation the central priority of the Bank of Canada. I ask the minister if he will commit today, and convince his colleague the Minister of Finance, that this party's policy of full employment, is an important priority for the Bank of Canada.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, if my memory is correct, what I said yesterday more precisely was that if the language in our document did not adequately reflect our intention then I would look at a chance to try to make the language more precise.

There is no question at all as my colleague, the Minister of Finance, has said about the commitment of this government to job creation. This is almost a red herring that members of the House are trying to bring across the trail of the House today. That, of course, is their privilege.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the minister. It is essential that jobless men and women find a job, and the unemployment rate causes great concern across Canada. There are 1.5 million unemployed Canadians today. So, I ask the minister again: is he willing now to recognize that full employment should be one of the primary objectives of this government and that the Bank of Canada should do its share too?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I am prepared to do two things today. First, I will indicate that the government of Canada fully supports policies based on substantial and permanent employment opportunities across Canada. And it is policies such as the one my colleague the Minister of Finance has just described that can have that effect. Second, if the hon. member has an amendment, an improvement or anything else to propose, she is welcome to do so.

• (1430)

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the Minister of Finance and the Minister responsible for Constitutional Affairs talk about the importance of price stability. We are trying to say, simply, open up the process, recognize the reality of Canada, that there are many people out there crying for this government to make sure that they can earn a respectable living. There are many others who need shelter in this country.

I ask the Minister responsible for Constitutional Affairs this: In the government's proposal it indicates that housing can be made an exclusive jurisdiction of the provinces. Many Canadians depend on the Canada Mortgage and Housing Corporation to finance social housing, so I want to ask the minister if his government is to go ahead with the idea of transferring its responsibilities to make sure that the funding that is presently spent for social housing will also be transferred to the provinces.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, the purpose of our proposal is to indicate that not simply are we interested in changes in theory in the way federalism operates, we are also prepared to look at specific changes in the way powers are exercised. We are following certain principles here.

One of those principles that we want to follow is a greater respect for the constitutional jurisdiction that has been established. Another is one of efficiency, of trying to have policies carried out by the level of government that is most effective and most able to carry them out.

As I indicated yesterday, in other fields like the environment it is the determination of this government to continue to guard and to keep and to exercise all of the powers that are ours. But we have made it clear that we are prepared to discuss with the provinces means by which there can be a recognition of their exclusive jurisdiction in domains, in fields like housing.

I think that as the hon. member considers these proposals she will see that that is a constructive way to give reality to the principles that I think we all in this House espouse of trying to have a more effective federal system, including one that allows provinces like the province of Quebec to take account of the particular challenges and situation that they face.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Deputy Prime Minister.

In the debate on the economic union, we note a great discrepancy between the point of a new hold by Quebec which sees the role of the state as the driving force of economic development and that of the government as expressed in its plan which overlooks it.

So, here is my question: to close yesterday's debate, is the government prepared to entrench in the Constitution the right of the provinces not only to create, but to maintain and innovate on their own initiative, new economic development institutions such as the Quebec Deposit Fund or the Heritage Fund?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, perhaps any confusion that may exist over what is in or what is not in the document can be dispelled today with the release of the document. There has been a lot of debate about what the document might contain or what its implications are. With regard to many of the concerns that have been expressed, for example in Quebec about the fact that the federal government would immerse itself into provincial budget-making, I don't think there is anything in the document that reflects that at all.

I think the release of the document will clarify many of the items that the hon. member has referred to.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, perhaps something was lost in the translation. I asked, very clearly, if the government was prepared to guarantee within the Constitution the right of the provinces to develop their own economic institutions like the Heritage Fund and the *Caisse de dépôt*.

My question now is to the Minister of Industry and Trade. It is not enough to build an economic union that is done on the basis of yesterday's economy, and that is the linkage this government has failed to make. There is not much use advocating the free circulation of goods if there are no goods to circulate or nobody to buy them. Will the government undertake specifically in its forthcoming paper on competitiveness to target at least 25 per cent of our Gross National Product as a firm objective for manufacturing in order to give Canadians jobs?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member loses his credibility when he makes the statement he just made, that we have not made the linkage between unity and the strength of our economy. That is absolutely clear in the Speech from the Throne and it was absolutely clear in the Prime Minister's statement on Tuesday. It is absolutely clear in the document.

As the member also pointed out, we have these two documents coming out on competitiveness and learning which reinforce the statements we have already made. Clearly, we are going to be putting in place a consultation process that will respond to the questions the hon. member has been asking. In that way we will ensure that we have an increasing degree of export activity, of international activity which will affect the manufacturing sector the hon. member is concerned about.

* * *

PUBLIC SERVICE

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I want to ask the President of the Treasury Board why the government has decided, while refusing to budge on the zero per cent increase of salaries to public servants, to continue to give performance pay to over 4,000 managers in the Public Service, in some cases up to 10 per cent of their salaries. *Pourquoi ce double standard?*

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): For the managers of the Public Service, a former government, and I think it was a Liberal government, decided that they would be dealt with in two ways. They took away 15 per cent of the wage budget and decided to have a basic pay. Instead of having, as there is for the unionized employees, the seniority which will go up even if we have the zero per cent unionized, the same treatment is given to the managers.

This is a system that was put in place for the managers who will get zero pay increase and will get the seniority the same as the unionized employees.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, let us get this straight. The minister has already said to the press that there would be no increase in bonuses because that is rolled into and considered a part of the salary that would be frozen.

I want to ask the minister if this now means that the Chief Executive Officer of CN will now be frozen at his $80,000 Christmas bonus that he received last year on top of his $300,000 salary and the Chief Executive Officer of Canada Post will now be frozen at the $70,000 like he got last Christmas on top of his $250,000 a year salary? The poor fellows, frozen out in the cold. Why they will soon call the minister Mr. Freezie.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): As he grows in years, the hon. member will become wiser and learn not to believe everything that is written in the newspapers.

As far as the top managers of the Crown corporations are concerned, we have not yet received the recommendation which is prepared by the Board of Governors. I can tell him what the decision of the government is. When we receive this recommendation, the answer will be zero.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is obvious that this government has shown once again that it has a double standard.

While the Conservatives have forced restraint and hard times on most working people, the government has found the money to provide fat bonuses for Crown executives and senior managers.

The Treasury Board minister thinks it is fair to give a bonus, maybe as high as $84,000 to the President of CN, whose profits have taken a nosedive. Yet, to the clerks in the Public Service making only one quarter of Mr. Lawless' bonus, the government has said zero per cent, no matter how productive they are.

• (1440)

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I guess I am too smart. I gave the answer before I got the question.

If zero per cent is such a fat number, why does PSAC not accept it?

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I am sure if the members of PSAC were offered the same kind of bonus, they would certainly take it in a hurry—the same bonus.

If a $366,000 wage is not incentive enough, what is? If we figure 4,000 members, a 10 per cent bonus, that is $24 million.

There is a principle of fairness. You cannot on the one hand insist there is no money for pay equity while you throw away money on fat-cat bonuses. Will the government eliminate this double standard and put this money where it is most needed?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I believe I have answered this question. When we get the recommendation for performance allowances for managers, whatever they are, the answer of the government will be that they will be zero per cent.

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THE ECONOMY

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Finance. Last week, Mr. Lou MacEachern from Calgary, Alberta received the Entrepreneur of the Year Award. Upon receiving his award he announced that because of the GST, because of the high dollar and because of all the other red tape in this country, he was selling his business employing 300 people and leaving the country.

When is this government going to stop drowning small business in red tape and high taxes?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I happened to be there that same evening

and Mr. MacEachern made it very clear that he was not leaving the country.

He did make some points and some of the points I have some sympathy with. I think that it is important to realize that—

Mr. Tobin: Which ones do you have sympathy with?

Mr. Wilson (Etobicoke Centre): If you will ask the question, I will give you the answer.

If the hon. member had been at that dinner, he would have seen and heard from a large number of people who were at that function who are entrepreneurs who did not agree with what Mr. MacEachern has said, who are going to go out and build businesses, take on the opportunities and the challenges that are there and beat the world. That is the type of entrepreneurialism that is alive in Canada and it is going to be reinforced by the policies that will be flowing from our competitiveness agenda.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my supplementary question is for the same minister. The minister talks about being sympathetic. He talks statistically week after week about a lower interest rate by the Bank of Canada. What good is a lower interest rate by the Bank of Canada when its own FBDB and other chartered banks, even with the lower rate, will not lend it out to entrepreneurs and Canadian companies?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the hon. member knows that this government does not have a policy of directing the chartered banks as to what they should or should not do with lending. That is not the way this government or any government has acted.

What we have been doing and what I would commit to the hon. member is that we are exploring every opportunity, every idea that comes in that will give us a better sense as to how we can encourage a greater amount of financing for venture capital, for entrepreneurs, for growing businesses.

If the hon. member has any suggestions to put forward as to how we can increase the amount of finance available, then I am quite prepared to look at them in a very serious way. If they are satisfactory ones, I would be happy to pass them on to my colleague, the Minister of Finance, and encourage him to bring in some of these in his budget.

INCOME TAX

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of Finance. Yesterday, when one of my colleagues asked if the federal government intends to allow all provinces to collect their own personal income taxes directly from individual taxpayers, the minister side-stepped the issue.

I ask the minister to provide the House today with a straight answer to this very serious question.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as the hon. member knows, there are in existence tax agreements between the federal and provincial governments wherein the federal government collects tax for the provinces. The provincial taxes are based upon the rate of federal tax.

It has been the desire of the provinces to seek a greater degree of flexibility and to examine these agreements. It is for that reason the federal government has issued a discussion paper on this particular issue, based on a number of principles, namely flexibility, transparency, harmonization and simplicity.

The hon. member should know that every individual province should withdraw from the tax agreements on its own accord. What we are attempting to do through this discussion is ensure that there is a harmonized tax system in place. If it needs improvement, we will improve it.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my supplementary is for the same minister.

Will the minister at least tell this House whether he agrees with the Canadian Federation of Independent Business that this proposal could result in a massive tax grab and spawn a terrible, complex income tax system?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the President of the Canadian Federation of Independent Business does make a very valid point.

That debate is going on right now. She may want to check with her own provincial minister of finance, who was party to this proposal, wanting a full-scale discussion on this issue of tax on income and provincial tax agreements. Obviously the views of Mr. Bulloch will be taken into serious consideration by the group that is studying this. Certainly it will be taken into serious

consideration by the federal government and I hope by the provincial governments as well.

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MEME BREAST IMPLANTS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Yesterday the food and drug administration announced that breast implant manufacturers must provide doctors with information for patients on the risks of implants. It must be written in easily understandable language.

His deputy minister has stated to the press that a similar move is not necessary in Canada. Will the minister now issue the same directive in Canada for products remaining on the market, while the safety and effectiveness data is reviewed on these products?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the member from Coquitlam is aware that three years ago the Department of National Health and Welfare produced a booklet on breast augmentation. She also knows that information was available in Canada for women well before it was in the United States.

In answer to the specific question she raised, I was informed yesterday by the deputy minister about the U.S. directive to the implant makers. I will ask the same thing of the makers of the implants sold in Canada.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I thank the minister for that answer.

Is this the book we are talking about, the booklet that the Canadian Quebec Association of Plastic Surgeons, the Canadian Society for Aesthetic Plastic Surgery has put out? Is it the booklet that says: "In conclusion, in most cases the results of this operation are excellent and the level of patient satisfaction is high."

Surely the minister must ensure that this new information from the food and drug administration, which we have all been waiting for, is given to women in some straight talk, and not in suggestions that there is no problem with breast implants.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I do not appreciate that the member said that what is in that document is not accurate information. It is very good information. The department updates the booklet periodically, and we will do it soon.

I just want to say that the information given by the Department of National Health and Welfare to women about breast implants has always been in terms of scientific reality.

I look forward to the member agreeing with me that that information is what should be provided. I repeat what I said yesterday. If there is any other information which can help women concerning the breast implant we will be delighted to provide it to women.

* * *

• (1450)

[*Translation*]

THE CONSTITUTION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister responsible for Constitutional Affairs. With the Leader of the Bloc Québécois, Mr. Claude Béland of the *Fédération des caisses populaires* said that what bothered him was the proposal to legislate the economy, which was rejected as out of hand. Even Premier Bourassa of Quebec, in referring to the proposed economic union, said there were important risks and that the proposal was unacceptable in its present form.

I therefore want to ask the Minister responsible for Constitutional Affairs who is using scare tactics? Is he prepared to say that Messrs Bourassa and Béland are using scare tactics, telling lies and being dishonest? In fact, they were repeating exactly what was said by the Leader of the Bloc Québécois yesterday. Will he admit that his proposal puts Quebec's powers in jeopardy?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, Premier Bourassa said that the proposal was not acceptable in its present form. When he said that, he was not referring to the credit

unions or other specific areas. If the hon. member is suggesting that Premier Bourassa was making specific references, he is wrong. The hon. member asked me who is using scare tactics. Is Mr. Béland? No. Is Mr. Bourassa? No. Is Mr. Lucien Bouchard? Yes. Is Mr. Lapierre? Yes.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. Since the Minister responsible for Constitutional Affairs is trying to separate the sheep from the goats, I would like to ask him this: Yesterday, in response to a question by the Leader of the Bloc Québécois, the Prime Minister said, referring to new federal powers, and I quote: "The third one states that if Quebec for instance did not support the legislation, it could opt out altogether".

However, it says in the papers this morning that his colleague, the Minister of National Health and Welfare said it was only meant to give a province time to adjust.

I want to know whether this third article is a transition measure or a right to opt out permanently. Who is using smoke and mirrors here, the Prime Minister or the Minister of National Health and Welfare?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, the smoke and mirrors all come from the hon. member for Shefford, and he keeps trying to confuse the issue. This is an important question, and I answered it yesterday before the Parliamentary Committee when I said that the committee had the power to decide whether the right to opt out should be extended or established on a permanent basis. I hope, now that is clear, that the hon. member for the separatist party of Canada will stop trying to confuse Canadian citizens.

* * *

[*English*]

CROSS-BORDER SHOPPING

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, my question is for the Minister responsible for Small Businesses and Tourism.

On July 18, 1991 the Minister for Small Businesses and Tourism attended the cross-border shopping summit in Toronto which brought together representatives of business, labour, consumer groups, mayors, and provincial cabinet ministers from Ontario.

At that time a number of commitments were made on behalf of the federal government. One of particular importance was a commitment to look at the reduction or removal of third country tariffs on consumer goods that do not compete with similar Canadian made products, yet ultimately do affect the competitiveness of our retailers.

Could the minister report to the House on what progress has been made in bringing this commitment to fruition.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would like to thank the hon. member for his question and advise him that the department is reviewing, on a case by case basis, the tariffs on non-U.S. origin consumer goods, particularly those that have had a significant effect upon retail prices.

As we do this review we will obviously be in a position to take the necessary corrective action.

I appreciate the interest of the hon. member and assure him that the matter is well in hand.

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JUSTICE

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Minister of Justice.

Since the Manitoba justice inquiry report was released on September 8, the government has chosen to ignore the report's proposals which would serve greatly to improve the unfair treatment of aboriginals in the delivery of justice.

Will the minister commit today to establishing a joint federal-provincial-aboriginal task force to implement the urgent changes to the justice system?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, in the absence of the Minister of Justice, I appreciate my hon. friend's question.

The government is in no way ignoring the results of the inquiry in Manitoba, nor are we ignoring the results from the other inquiries that have recently been held. In fact, we are taking these into account.

My hon. friend will know that the Minister of Justice recently convened in Whitehorse a conference on the administration of justice for native people. It was quite worth while. I was in attendance myself and I think we all got a lot out of it. We are awaiting the results of the various seminars that were held. I can assure my hon.

friend that the government intends to act on these matters.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary is for the same minister.

It is quite clear, from the minister's response and even from the government's constitutional package, that the government lacks the knowledge, the courage and the leadership to proceed with self-government for aboriginal Canadians.

Since the Manitoba inquiry is a model for self-government, will the minister recognize the right of aboriginal people to establish their own justice system as part of their inherent right to self-government immediately and not also delay that for 10 years?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I can assure my hon. friend that the government, as do all members of the House, always seeks more knowledge and more ways to appraise ourself to help solve a problem; there is no question about that.

I would also tell my friend that we are not lacking in courage and determination to tackle this problem.

Finally, I would say to my hon. friend what has been said by the Minister of Justice and myself. We think that the present system of justice is flexible enough to take into account the concerns of native people. We are working on it and I would appreciate my hon. friend's co-operation.

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THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment.

Once again, Canada faces embarrassment on the world stage over its failure to act to protect the environment. The environmental group, Great Lakes United, feels it has to go as far as asking the United States to investigate the abysmal failure of the government to meet its international commitments under the Great Lakes Water Quality Agreement.

When and how will the government do something about the increasingly dangerous toxic state of the Great Lakes, or is it waiting to be forced to act by the court of world opinion?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, let me first correct something. I think the hon. member may have made an error. She mentioned that the group asked the United States. I think it is the United Nations that they asked, not the United States.

There are obviously very important problems concerning the Great Lakes, but I think even the hon. member would recognize that some substantial progress has been made, although a lot remains to be done. This government is committed to pursuing its efforts in that area. Next week the International Joint Commission is meeting and I intend to be there, as does my counterpart, Mr. Bill Riley. We hope to update participation at the IJC and report on what we intend to do in the future.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, in fact relationships with the American government on this issue were badly damaged by the repeated deferrals of this government on a joint pollution prevention plan and eventually Canada backed out totally of that agreement.

We have heard the promises. The minister made another one in front of the environment committee in June, saying that discussions on that agreement are on track and an announcement can proceed fairly rapidly. It is now September, nearly October. Poisons in the Great Lakes are not vanishing. What is the minister going to do about Canada's vanishing credibility on this?

• (1500)

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I do not agree at all with the member when she says our relationship with our American counterparts is damaged on this issue. It is not true at all.

Just Monday of this week I was in New York with my counterpart to accept an award on behalf of all Canadians for the air quality accord. I think there is general consensus in this country and on all sides of this House

that that was a major achievement on which we can model other initiatives.

In the area of the Great Lakes, I also remind the member that we have been active. There has been the St. Lawrence Seaway initiative of $110 million. In 1989 the government announced the $125 million Great Lakes action plan and more recently the pollution prevention action plan, a $25 million initiative. There has been action on that front.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, in his response to the environment standing committee's report *Out of Balance* distributed today, the Minister of the Environment notes that Canada is committed to stabilizing its emissions of CO2 at 1990 levels by the year 2000 and that that is a central element of the government's green plan.

Yet last week when I put the question to the Minister of Energy, Mines and Resources, he said: "It is Canada's policy to stabilize Canada's greenhouse gas emissions by the year 2000". There was no mention of C02 specifically and no mention of a 1990 cap.

My question to the Minister of the Environment is: Is there a 1990 cap as the government's policy for C02 emissions by the year 2000?

Hon. Jean J. Charest (Minister of the Environment): Yes.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I ask him how he can possibly square that answer with the report of the National Energy Board on its energy supply and demand in Canada figures released last week, which projects Canadian C02 emissions to rise by more than 1 per cent a year every year from 1990 to 2010.

Where is the cap? Where even is the stabilization?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I recommend that the member read the National Energy Board report. He would find that it does not take into account the projected actions the government intends to undertake to reach that objective.

The situation we are facing today with C02 emissions is very similar to the one that we face with C02 emissions in the case of acid rain. When we knew we wanted a cap, we did not know at the time exactly how that would be undertaken, but we knew where we wanted to go. It is the same situation today, and we will set out to do that as we progress.

There is no contradiction there, none at all, and the member should read the National Energy board report. Then he will find that out for himself.

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PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of the Right Hon. Peter Brooke, member of Parliament, Secretary of State for Northern Ireland.

Some hon. members: Hear, hear.

Mr. Speaker: I would also advise the House that the hon. member for Beaver River rises on a matter of personal privilege to pay a tribute.

* * *

THE LATE SENATOR STAN WATERS

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise today to pay tribute to Senator Stan Waters who passed away yesterday in Calgary after a battle with cancer.

Senator Stan Waters was born in Winnipeg on June 14, 1920 of English immigrant parents. He was educated in prairie schools including Garneau—Strathcona High School in Edmonton.

In 1933 his parents sent him to England for one year to broaden his educational experience. He then entered the University of Alberta in 1938 before joining the war.

In 1941 Senator Waters left the University of Alberta to join B Squadron of the King's Own Regiment at Stettler as a private, and later that year as a corporal went overseas with his regiment.

On being commissioned in 1942, he volunteered for the newly formed Canadian parachute corps and after training was assigned to the U.S.-Canadian First Special Service Force which specialized in commando and parachute operations.

With the First Special Service Force, Stan fought through the costly mountain battles in southern Italy and the assault landing at Anzio. His unit was the first to enter Rome on June 4, 1944. Stan attained the rank of major when the unit was disbanded. He then joined the First Canadian Parachute Battalion and fought in northwest Europe in 1945.

After the war he served in a wide range of command and staff appointments, including command of the Princess Patriot's Canadian Light Infantry and the First Canadian Infantry Brigade in Calgary. He also served on UN peacekeeping assignments and NATO duties in Europe.

In 1971 he was promoted to Lieutenant-General and from 1973 until 1975 he commanded the Canadian army. A series of larger appointments in Ottawa afforded Stan an opportunity to observe closely the operation of Canada's government and its departments.

Following a distinguished military career, he joined the Mannix organization in Calgary in July 1975.

His transition to the business world was both swift and successful. In just over six months he became president of the Loram Group engaged in national and international activities, in heavy construction, oil and gas, coal, engineering and manufacturing.

This private sector experience, with all of the driving forces of Alberta's complex economy, gave Stan invaluable knowledge and skill in developing policy for the west and for Canada.

To his private sector career, Stan brought the loyalty, leadership, sense of service and drive developed during an extensive military career.

In August 1989 he was nominated by the Reform Party of Canada to contest the election for senatorial selection in Alberta. On October 16, 1989 he was elected by a large margin, nearly double that of the votes of the next candidate. After a wait of nearly nine months the Prime Minister acceded to the wishes of the Alberta electorate and appointed Stan Waters to the Senate in June 1990.

I was here when Senator Stan came to Ottawa in June 1990 to be sworn in as Canada's first ever elected senator. How exciting it was to be part of that historical occasion. During Senator Waters' one year in the Senate I appreciated his deep knowledge and understanding on a wide variety of issues. What company and comfort he offered to me on a personal basis, as well as politically.

I will always remember Stan Waters' ram-rod straight, military fashion commanding respect from all he came in contact with. I will also always remember Stan whisking into my office, slumping, relaxed into a chair and saying: "Well, Deborah, what can we do for the nation today?"

Stan was honest, direct and took a no-nonsense approach to whatever had to be done. He never compromised his beliefs.

I was fortunate to know Stan on a very personal basis. We shared a platform often. We travelled together and ate supper together while here in Ottawa. He was genuinely concerned about me as a person and would jump to my defence on any issue as a father would guard his daughter.

In closing, my life has been enriched by knowing Stan Waters. He was a great proponent of Senate reform, and I was pleased to see the government put Senate reform on the constitutional table before his death. That is a tribute to him as a pioneer in the Senate reform movement.

Canada has lost a great statesman. To Stan's wife, Barbara, his children Claudia, Mark, Virginia, Caroline and their families, I want to say thank you for sharing Stan with all of us.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, on behalf of my party, we wish to associate ourselves with the regrets already expressed at the passing of Senator Waters.

Stanley Waters led an exemplary and straightforward life with strong convictions, and he had the determination to pursue those convictions.

He joined the army during World War II and he worked his way up rank by rank to the very top, holding the rank of Lieutenant-General, Commanding Officer of the army contingent of the Canadian Forces at retirement.

He then turned to the world of business, working as a general manager of the well respected Mannix group for almost 15 years.

He held strong political views and, even though we in this party do not share all of them, we admired him for his tenacity and determination in pursuing them.

Among his views that we do share is the desirability of an elected Senate. When the opportunity arose for him to contest an election for the Senate he had the strength of character not only to contest and to win that election but to wait patiently for the many months that it took the Government of Canada to accept the verdict of the people.

It is unfortunate that Senator Waters' health prevented him from serving longer in the Senate where he was an active spokesperson for a point of view somewhat different from the others found in the Upper Chamber.

We want to join with our colleagues in expressing our deepest sympathies to Mrs. Waters, their daughters and their son at this most difficult time.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I too would like to join with the hon. member for Beaver River and the House leader of the Liberal Party in this tribute to the late Senator Stan Waters.

I knew Stan for a number of years. I basically knew him when he arrived in Calgary after retirement from the army and had met him prior to that when he was still serving in the army. He was an outstanding Canadian. Of that there is no doubt. His military service record established that clearly. He was a member of the famous Devil's Brigade, which was the subject of a movie. The Devil's Brigade was so-named by the Germans who found this Canadian-American group pretty fearsome. He rose to become the commander of the army, and upon retirement moved to Calgary and took a senior position with the Mannix group of companies. Another graduate of the Mannix group of companies was Peter Lougheed. That company seems to turn out politically active people.

• (1510)

Stan was an ally and a supporter for most of his politically active life. We differed in the last couple of years of his life but never about the question of the value of an elected Senate. In that regard his efforts are applauded and were a valuable contribution to the evolution of the constitutional structure of this country.

I too would like to join with other members of this House in offering our condolences to his wife and children, and say to them that in this difficult period they at least have the comfort of knowing that their husband and father was an outstanding Canadian who gave tremendously to this country.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I would like to extend the condolences of the New Democratic Party caucus to the family and friends of Senator Stan Waters. Like most Albertans and the overwhelming majority of Canadians I did not know Stan Waters but I sure as heck knew of him.

Stan was one of those giants whom occasionally Alberta—and other areas of the country but Alberta in particular—seems to produce: a person of monumental integrity, granitic determination with a dedication to what he thought was the right thing to do, which was sufficient to help him past virtually all obstacles. In this he exemplified what is best in the Albertan and the Canadian spirit.

We have all lost a champion with the death of Stan Waters. However, I am certain that his legacy will live far beyond him and stand Canadians in good stead for decades to come.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I too would like to say that Senator Waters, whom I knew for about ten years, was always a person who was compassionate, approachable and caring. I would like to express my deepest sympathies to Mrs. Waters and the family and all of the grandchildren.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, on behalf of the people of Calgary Northeast I wish to express our deepest sympathy to the Waters family. We all knew Stan as a strong committed man of principles, a man who will take his place in history as one who contributed to raising the awareness of all Canadians about the undemocratic powers of some of our federal institutions.

General Waters represented Albertans with great dignity. We are especially proud of his contribution to political change and his place in history as Canada's first elected senator. He will be remembered as a great Canadian.

Mr. Speaker: So that the House knows where we are proceeding next, I am going to take the usual Thursday afternoon question, and then I have a question of privilege which I must hear.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, would the government House leader indicate to the House the business for Friday and next week?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Tomorrow it is my intention to call Bill C–32 for completion at second reading, Bill C–11 for completion at third reading, and Bill C–21 for completion at second reading.

On Monday it would be my intention to resume debate on the financial reform package. With the indulgence of the opposition I would like to have our usual discussions about the business of the House for the remainder of next week.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Dennis Mills (Broadview—Greenwood): Point of order, Mr. Speaker. During Question Period today I directed a question through you to the minister of trade about the entrepreneur of the year, Mr. MacEachern, announcing that he was selling his business and leaving the country. The minister of trade stood up and denied that assertion.

My staff double–checked the claim I made and as late as yesterday afternoon the information I received was confirmed. I believe that the minister of trade inadvertently misled the House when he denied the assertion that I made. In fact, Mr. MacEachern is selling his business and leaving the country.

Mr. Speaker: I will hear the hon. government House leader in a moment. I would just point out to the House that this is a dispute of fact and I have grave doubt as to whether it really is a point of order. The hon. government House leader.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Being a seat– mate of the Minister for International Trade I saw *The Calgary Herald* article in which Mr. MacEachern said that at 58 he was certainly not leaving Canada. He was not going to expand in the way he had in the past but he intended to carry on in Canada.

Mr. Speaker: I thank the hon. government House leader. I think perhaps the exchange illustrates the difficulty we have where there may be a difference of opinion or debate on a question of fact.

However, I do not want hon. members to feel for a moment that they should be precluded from rising on a point of order on something they may have said which they may wish to clarify.

The exchange itself illustrates the fact that we must be careful in these matters.

* * *

[*Translation*]

PRIVILEGE

ACCESS TO THE DOCUMENT OUTLINING CONSTITUTIONAL PROPOSALS

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have been a member of the House of Commons for 12 years, and during that time, my interest has been, above all, the debate on the Constitution.

As an observer, I have attended all federal–provincial conferences on the Constitution, and I have always taken my duties and responsibilities as an elected representative very seriously. A few days ago, Mr. Speaker, a document was tabled in the House, a document said to be the most important one in this session, considering the future of relations between Quebec and Ottawa, whatever form that will take.

Mr. Speaker, I heard today—and this is why I wish to raise a question of privilege—I heard today that I, as an elected representative, was given access to this document at 10 a.m. on Tuesday, when the Prime Minister rose in the House. I also heard that Mr. Paul Desmarais, Mr. Roger D. Landry, *The Globe and Mail* and others who were not elected by anyone and whose only qualification is that they have either influence or a lot of money, were given access to this document, directly by the Prime Minister, sometime on Monday.

Mr. Speaker, I can hardly find words to express this affront to Parliament and to the people who elected me. How can people elected to represent 75,000 or 80,000 people, with a mandate to deal with issues that concern the future of our country, be ignored in this way and given this information at the last minute? Are there citizens in this country who, because of their influence, are more equal than others?

Are we as members, and especially as members of the opposition expected to tolerate having to rush through a document we are supposed to analyse? Unlike the traditional parties, we did not even have a briefing session, while other individuals outside this House, on the basis of financial or other influence, are entitled to certain privileges, and the rest— I am sure they are supporters of the government.

• (1520)

Mr. Speaker, I wonder how far this House can go in taking such an affront. How can we believe that the government respects the elected representatives of the people when it uses a double standard? And I must tell you, Mr. Speaker, that not having access at the same time as Paul Desmarais or Roger D. Landry prevented me from being able to react as quickly as all members who had access, or the party leaders. According to my information, only the party leaders had a briefing. There was unwillingness even to leave the document with them. The leaders of the official parties were not trusted, but the friends of the government were!

Mr. Speaker, I would like you, as the guardian of the rights of this House and the guardian of members' individual rights, to reflect on this lack of respect for Parliament, this infringement on democracy. I would like to submit to you copies of the articles that were published. I can even tell you that I am sure that Lysiane Gagnon had a very good idea of the text before all the members did, judging by her article of Tuesday morning.

Mr. Speaker, I think that this affront to Parliament and infringement on democracy deserves your consideration and I await word from you as to how this affront can be rectified.

[*English*]

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would have appreciated some advance notice of this particular question from the member, especially as he began with an argument which he attempts to base upon the precedents of the House.

There is a longstanding precedent of giving warning when people are serious about engaging in a discussion of this kind. We do not usually raise these questions unless we are trying to make a political point. Then we raise them suddenly. If we are really concerned about the precedents of the House, we raise it in a different kind of way.

Mr. Speaker, I do not know what your attitude is but I fail to hear anything coming from the mouth of the member relating to the privileges of the House. The member has a grievance. Following his grievance to its logical conclusion would mean that the government could not discuss anything with anyone until it had tabled something in the House of Commons.

If the member searches his memory, he will find that some days in advance members were given more than adequate warning that at 10 a.m. on Tuesday of this week there would be ministerial statements and a document would be available to members.

The member may have noticed that I was in my place throughout the presentation by the Prime Minister and the responses by the leaders of the two opposition parties and had no copy of the document. He had it a good hour ahead of me because it was made available in the lobbies as quickly as possible after the commencement of the announcement, as promised.

If you are looking for parliamentary precedents, Mr. Speaker, you only have to go back to June 18, 1987, when, I think, the member for Shefford was in the federal cabinet. The Speaker rose on a question of privilege based on a set of principles much like the member for Shefford has alluded to based on the premise that there was some obligation on the part of the Crown to notify the House. That was about a financial statement rather than a budget.

The argument presented from the other side was an attempt to use budget precedents to deal with the financial statement. Mr. Speaker, I think you will find that there was no such obligation. Previous Speakers have ruled that there was no such obligation on the government. Certainly in this instance there was no such obligation on the government.

I could go one step further and remind the member for Shefford that in other parliaments based on the British parliamentary tradition when members choose to change their stripes from the party they were elected with they must resign their seats and run in a by-election. Then they can return to the House with some legitimacy.

The member was not elected to tear this country apart, yet he claims in this House that that is his intention.

Mr. Speaker: I think we are getting away from the point of order.

House of Commons

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I think that my colleague from Shefford has raised quite an important question of privilege, and I support him in it. Because last Monday, the Minister responsible for Constitutional Affairs clearly indicated, and I quote:

[*English*]

"We have given an indication in fairly general terms to a number of organization, including as she would know"—

[*Translation*]

—the hon. member who asked the question—

[*English*]

"—the Canadian Labour Congress, as to where we intend to move in this document". But the document has not been circulated.

[*Translation*]

It is important to emphasize that. Moreover, the Minister responsible for Constitutional Affairs continued in the same vein, saying:

[*English*]

"It will come first to the House of Commons".

[*Translation*]

We would be the first to have the documents, except for 12 copies that would go to the provincial premiers, and we think that is appropriate.

Mr. Speaker, as members of the House of Commons, we need information, before those who are not members receive it. If you have some respect for the House of Commons, you cannot send such documents to Mr. Desmarais, the *Globe and Mail* or Mr. Landry. It is unparliamentary and undemocratic, and I think that my hon. colleague raises a very important question of privilege because this is not the first time it has happened. Not only the hon. member from the Bloc Québécois but all members are concerned, because this government has acted in such a way many times.

Mr. Speaker, as chairman of this House, you are asked to rule clearly on this point, to avoid recurrences of this practice in future.

SPEAKER'S RULING

Mr. Speaker: I listened with some concern to the statement by the hon. member for Shefford and the support given to it by the hon. member for Chambly. I also considered the comments of the hon. member for Calgary West.

We are faced here with a situation where several members are not at all happy that some people received the document in question before it was presented in the House of Commons. But I think that it is very important to consider immediately the difference between a document on constitutional proposals, for example, and the Budget. It is a very different situation. There is a difference. In fact, the members for Shefford and Chambly are not the only ones in such a situation, that is who did not receive the document in question before it was presented in the House of Commons. Indeed, this situation could apply to any member of the House, except some Cabinet members, perhaps. But the point made by the hon. member for Shefford is very clear. It may be grounds for a complaint, but I believe it is necessary to find out whether the grievance is serious enough that the hon. member was impeded in the performance of his parliamentary duties. The hon. member, who is a veteran here, well understands the difference between a grievance, a complaint and a question of privilege.

• (1530)

It therefore falls to me as Speaker to make a clear decision. According to the long tradition of this place and the circumstances involved here, this is not a question of privilege. I thank the hon. member for Shefford and the hon. member for Chambly for their presentation and also the hon. member for Calgary West for his statement.

* * *

[*English*]

HOUSE OF COMMONS

Mr. Speaker: I want to advise the House that as all members know the hon. member for Edmonton North—

I apologize to the hon. member and to his constituents—who is a veteran of this House and is of course one of the acting speakers is not able to be with us for some weeks having had an operation. We are looking forward to his return.

In the meantime, we have had to make some changes and we have had to seek the help of hon. members to take the chair from time to time during debate. I know that hon. members will, when it is not possible for me or others to be here and when we have called upon our colleagues in the House to take the chair, pay those colleagues who have volunteered to take this very dangerous position the greatest co-operation and courtesy.

It is in this sense that I advise the House that the hon. member for Elgin—Norfolk is prepared to take my place for at least an hour or so. Thank you very much.

Mr. David Barrett (Esquimalt—Juan de Fuca): I am sorry to interrupt your leaving, Mr. Speaker. I wish that you would convey to the hon. member for Edmonton North the sincere best wishes of every member of this Chamber who recognizes that his illness will hopefully be only temporary and we will enjoy his chairpersonship as soon as possible again.

Some hon. members: Hear, hear.

Mr. Speaker: I want to say to the distinguished member for Esquimalt—Juan de Fuca, an old, old friend of mine, a former premier of my province and a veteran parliamentarian, that I appreciate very much his comments. I will pass them on to the hon. member who I think will also appreciate them with exactly the same sense of understanding as is extended by the hon. member.

Sometimes in this House we are disputatious, sometimes we have disagreements, but this is an example of the high regard that we hold for distinguished members of this place among each other. I thank the hon. member very much.

GOVERNMENT ORDERS

[*English*]

BANK ACT

MEASURE TO AMEND

* * *

INSURANCE COMPANIES ACT

MEASURE TO ENACT

* * *

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motions that Bill C-19, an act respecting banks and banking; Bill C-28, an act respecting insurance companies and fraternal benefit societies; and Bill C-34, an act to revise and amend the law governing co-operative credit associations and to provide for related and consequential matters, be read the second time and referred to the Standing Committee on Finance.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, before we had a brief intermission, we were talking about Bill C-19 relating to the Bank Act. I was talking generally about why we as a party are not in favour of this act but are in favour of allowing banks to market and sell insurance policies. I was supporting myself and my party in this position through the experience of the Quebec *caisse populaires* which have been doing it for so many years.

I have talked to some of my colleagues on the Liberal side as well as the Conservative side, and one of the things we do know about *caisse populaires* is that in marketing insurance the satisfaction of customers can vary depending on how the *caisse populaire* operates. Once again, because *caisse populaires* are responsible to their owners who are the people in the community, there can be some *caisse populaires* perhaps being more responsible and more competitive than others. I am willing to grant my colleagues that.

The important difference between what the *caisse populaires* do and what the banks would do if they

became owners—and that is the key word—of insurance companies is that the banks would not necessarily be responsible to their communities. They would be responsible to their shareholders. Insurance companies would not be responsible to their communities *per se* but to their shareholders which would be the banks.

It must be understood that this is not a position which is anti-corporation. It is not a position which is partisan or is anti-bank. What we are trying to be is pro-consumer. We want to see competition. We want to see the banks get in there and market insurance as the caisse populaires have done because we believe, as with the caisse populaires as I said before, this would bring about competition, competitive rates, competitive services, and at the same time employees would not lose their jobs. As a matter of fact in Quebec it has done very well, particularly from 1985 to 1991.

I just wanted to explain why we are in favour of allowing the banks to market insurance plans but not becoming owners of insurance companies.

I would just like to mention one last thing for those of us in this House who are from the prairies, who have seen the kind-heartedness of the banks when it comes to farmers who cannot pay their mortgages. I am concerned about what happened with banks owning insurance companies and farmers or consumers not being able to pay their insurance premiums. What would happen? What power could be brought to bear?

I really think that where banks and co-operatives primarily deal as marketers that augments competition and at the same time it protects consumers. That is why our party, which wants to maximize consumer protection, is in favour of that aspect.

I want to bring to the attention of the House the point about abuse of power. I am concerned about the abuse of power as we give more power to the banks. As a consumer advocate, I have seen it work in the sense of being very much against the consumer interest.

I mentioned a very interesting Supreme Court case of Houle *v. Banque nationale du Canada*. The judgment is in French and English and it shows how the banks with the power they have can actually put a small business owner into bankruptcy. I was referring to the Belanger-Campeau Commission where the co-chairman was actually the head of the Banque nationale du Canada and he objected very strenuously to my presentation of a brief in which I criticized the Banque nationale du Canada, referring to the Houle *v.* the Banque nationale du Canada decision in the Supreme Court of Canada. He had said that was not a proper complaint to make. I think it is.

Mr. Belanger referred to the fact that there is already a lot of protection for consumers. No matter what powers we give the banks today or with the passage of this legislation consumers will have a complaint mechanism. That is true. There is theory and there is reality. The reality is that there is not all that much protection.

• (1540)

Who protected them? I have a report here which is very interesting. It is actually a citation from a book called *The Economics of Government Regulation, Theory and Canadian Practice*. It is written by John C. Strick, and it is very interesting.

It says: "The increasing number of failures of financial institutions during the 1980s and the difficulties incurred by others brought the effectiveness of these early warning systems and the regulation of financial institutions into question. Mismatched assets and liabilities, the questionable quality of loans and lack of diversification were among the causes of failures of trust companies and the failure of the Northland Bank and the Canadian Commercial Bank."

I am worried about what little power we really do have over the banks as far as their practices are concerned, and I agree with my hon. colleague from Nickel Belt when he said: "Let's keep them in their respective cages. Let's give them the limited powers they have. Let bankers be bankers."

I think the central thing is that we should look at what happened with American Express. I wrote a letter to the president of American Express more than a month ago. I have not received a response. The letter that I sent to him was referring to restaurant owners of Quebec who found out that the 5 per cent that they were asked to pay American Express for clients to use their credit cards was exactly double that which restaurant owners have to pay in the United States.

They thought it was unfair. They are boycotting American Express in my province. I just asked the president of American Express to explain to me why we have this anomaly, and I have yet to receive a reply. Talk about complaint mechanisms.

When a member of Parliament cannot get a reply, who can?

In summation, I want to talk about American Express and interest rates.

Take a look at the lowering of interest rates that we all, as parliamentarians, have seen and that the other side has often reminded us of. I appreciate that reminder from the government side, but every time I see my statement from Visa or the other companies, I see the interest rates not going down appreciably, but staying the same.

What is our complaint mechanism? We have none. What is the social responsibility of the banks? I do not think it is very large in their estimation. What about the possibility of getting the banks to be socially responsible in bringing down their interest rates? If we are talking about 21 per cent, that is only the middle ground. Some of the interest rates are as high as 28 per cent. That is not socially responsible.

I referred to my hon. colleague from Nickel Belt. He presented a private members' bill trying to create a ceiling so that there will be only a certain number of percentage points above the general rate. That has not been dealt with but I think it is an interesting idea.

The summation is this. Our party is in favour of competition. We are in favour of giving the banks more diversification because through Third World loan problems, through the recession, banks need some protection, perhaps through diversification. We are not in favour of allowing the banks to become so globalized, such a predator or awesome creature that we all get eaten alive.

The Acting Speaker (Mr. Monteith): The hon. member's time has expired. It is now the 10-minute question and comment period.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I want to first of all make a couple of comments and then ask my colleague a question.

There is perhaps no other Canadian who has made a reputation as a consumer advocate as my colleague from Chambly has. As a matter of fact, Ralph Nader in the United States is known as the Phil Edmonston of the United States, just to show you how effective he has been.

My colleague has made a very, very good point about the role of credit union movements and the fact that ordinary people are represented through their participation in a co-operative effort in the financial institution they own and share in.

Their decisions are made not just on economic bases but on social bases as well. The case in Quebec has demonstrated an option of people power through the credit union movement.

I will be speaking later in the day about our own experience in British Columbia.

I would ask the member, in all the years of work that he has done prior to coming to this Chamber, why is it that the governments that he has experience in fighting have not been the kind of spokespersons and leadership people in advocating the expansion of the role of the caisse and credit unions in competition with the banks? Why are they afraid of that competition?

Mr. Edmonston: Mr. Speaker, as a member of Parliament from Quebec I have seen, as a result of the last referendum in Quebec in which Quebec was forced to turn inward and pretty well give vent to its entrepreneurial spirit, Quebec deciding it was going to go on its own economically as much as the law allowed it to do at that time.

It was good because following the last recession, Quebec was full of ideas that were quite remarkable and many people, even one of my Liberal colleagues, had mentioned that it was more of a Quebec incorporated. It has been Quebec incorporated and I think it was a good thing for the country.

Quebec was forced to think of new ideas because it found itself alone. It was not really alone, but it felt alone, and it felt it had to take its own economic path.

I see a similar situation occurring in other provinces. I can tell you that when we are talking about what happened with the *Caisse de dépôt* in Quebec. The province of Ontario in the past few weeks has been sending out messages to the extent that it would like to have the same economic leverage and the same economic orientation as Quebec had using that fund in order to bring about economic reform, economic rede-

velopment, industrial development, more or less making Ontario incorporated. I think it is a good idea.

What we are talking about essentially is, I believe, doing away with these myths of partisanship of "Well, if we are Liberal we have to think this way, or we are NDP so we have to think this way, or if we are Conservative—"

The points presented by this government and its Constitution proposition show that many things are on the table and many things will be looked at in a non-partisan way. I think that is a good beginning.

When we talk about the banks and economic philosophy I would like us to continue to try to stay away from pure ideology and—

[*Translation*]

Let me tell you, Mr. Speaker, that there is a phrase commouly used in Quebec: good common sense. That is what is called for. We must take a pragmatic approach, have a reasonable view on things. In a way Quebec is extremely pragmatic, if I may say so, and it never sought to curb entrepreneurship. Quite the contrary, it went as far as giving the *Caisse de dépôt* an opportunity and the tool to promote entrepreneurship in the province.

I am seeing the same thing with Bob Rae in Ontario. Especially given this social conscience in the sense that it not about just making money, but making money by creating jobs and trying to involve the people, the consumers, the businessmen and women, the union members, the grass roots, the people in the field.

I can tell you that, in Quebec, we have a solidarity fund. I expect Ontario to follow suit, as well as British Columbia and Alberta, because that idea makes good common sense.

In closing, Mr. Speaker, in response to my hon. colleague's question, I think that our present economic problems will inevitably dictate that we take Quebec and other provinces—like British Columbia with auto insurance—as models in the future.

• (1550)

I think that the people who are watching us are not interested in demagogy or partisanship. They do not want that. They want pragmatic, practicable ideas.

Mr. Speaker, I am most pleased by that, because I remember my constituents in Chambly telling me the day I was elected: "Phillip, stay away from partisanship. Use good common sense. That is what we elected you for." I think that we can all benefit from such advice.

[*English*]

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I too want to add my congratulations to you for taking over the chair in the absence of our friend from Edmonton North. I wish to express my feelings and best wishes to the Acting Speaker and Deputy Chairman of Committees of the Whole for a full and speedy recovery. I see him not only as a competent Deputy Chairman in this House, but as a colleague of this House of Commons and a friend. I certainly wish him the very best.

I think that for the benefit of our other colleagues in this House, I would be very much remiss if I did not tell them about the International Ploughing Match last week in my riding. Mr. Speaker, you look every bit as much at home in the chair as you did on the seat of that tractor when you won the VIP competition in ploughing. I bow to you. I only finished second. I have to say it was against very experienced competition.

Mr. Speaker, you look almost as equally at home as you did in the cross-cut saw and the log sawing competition. I should explain to the minister of fisheries that it was a 16 inch hardwood log and the member for Kenora-Rainy River and I went through it in 22 seconds. The Speaker and his colleague went through it in a slightly longer time. When I say a 16 inch hardwood log, the minister of fisheries knows that we use the same ruler for measuring logs as we do for measuring fish. There can be some discrepancies. Of course, I did not say whether it was the butt of the log or the small end of the log that we cut from.

In any event, I was very proud of the way my colleagues participated in their competitions at the international ploughing match. It was an excellent match and one that I will always be proud of, as I am proud of the members who attended that event within my constituency.

We have heard several members today mention the company of American Express. I think it would be wrong if I did not point out one of the experiences I have had in just the last few days. When we have corporate concentration in the marketplace with huge companies involved, how do we resolve a problem? This goes back a few years when I used my card on numerous occasions.

As a result of a mistake made by the company in crediting the wrong amount, an amount other than what was written on my cheque when I paid the account, I was threatened and harassed. Finally we got it straightened out. To this day I do not know whether that experience is a blemish on my credit rating or not.

I was shocked and very, very upset when my new card came about three months ago —and because I am of Scottish ancestry I hate to pay for something I do not need—I decided that I was going to cut it up and send it back and ask to have my account closed.

The company charges $55 for membership. If we do not use the card, cut it up, and send it back. Naturally the account should be closed and that $55 should be written off.

However, I received a notice the next month that I owed $55. Just yesterday, I received a notice saying that my account was going to be cancelled unless I paid that $55, in spite of the fact that I notified the company in writing, cut up the card and sent it back to them.

How do you deal with a company like that? The reason I am talking about this today is because this morning I wrote them a letter and sent it by registered mail explaining these details. Tomorrow morning I am going to send them another letter and include a copy of *Hansard*. We will see what action that brings.

I took part in the debate on the amendments to the last Bank Act back in the early 1980s and I welcome the opportunity to participate in the second reading debate on Bills C-19 and C-28. I want to make it very clear that the Liberal Party of Canada supports in principle this new legislation.

The banking and insurance industries have been waiting a long time for this new legislation and, while our party has some concerns about both bills, we will not stand in the way of their passing. We will seek to have our concerns addressed when the bills go back to committee.

I just want to touch on a few of those concerns, the concerns that I as a farmer have, and which I am sure, Mr. Speaker, you must have as you represent a riding not unlike the one I represent.

I am very concerned because over the last several years our farm industry has been the subject of attack from various sectors. We have been the subject of an attack that accused our marketing systems of ripping off the consumer.

I conducted a study this summer. I did not take any time off my job as a parliamentarian, but I conducted a major study, with the assistance of my competent staff: Nick Heisler, my research assistant, and Susan Mogensen and Sue Richardson. We called this study "Compare the Share". One of the things shown very clearly, these figures are from Statistics Canada or Agriculture Canada, on a graph—and this is an illustrated study, it is very easy to read—is that farm input prices go up across the graph while income figures go the other way.

No business can survive with that sort of thing happening. A lot of those increases in inputs was a result of interest rates. There is a big difference between the interest rates in Canada and those in the U.S. There is also a big difference between the fuel prices in Canada and the U.S. However, some of the shockers—and they are all in this study—include that the producer price for milk went up by 19 cents a litre in the last 10 years, well below the rate of inflation, while the price between the producer and the consumer increased by 73 cents a litre, or 97 per cent. That is an increase in the inflation rate of 9.7 per cent per year, and that is not acceptable.

For cheese, the producer price increased by $1.53 per kilogram while the spread between the cheese factory and the consumer increased by $5.34 per kilogram, an increase of 86.4 per cent. Again, double the level of inflation.

For chicken, the processor-retail spread increased by $2.20 per kilogram, an increase of 87 per cent, while the producer price increased by 28 cents per kilogram. At the same time as corn prices in Ontario declined over the last 10 years, the consumer price of corn flakes increased by 97 per cent. The price of wheat to the farmer declined in the last 10 years while the retail price of sweet cookies increased by 111 per cent, solid cookies by 132 per cent, whole wheat cereals by 192.6 per cent and crackers by 235 per cent.

During this whole time, we experienced a period of high interest rates, which were raised to counteract inflation, to bring down inflation; interest rates which created hardship for countless Canadian people, particularly primary producers.

• (1600)

We keep hearing the buzz word "competitiveness", that we have to be more competitive to compete in the global market. Yet, we see the devastation in our communities in close proximity to the U.S. border caused by cross-border shopping. The fact of the matter remains that, due to the concentration of the food industry, after the food leaves the processor there are increases in the price of these food products several times the rate of inflation, and they are ignored by government.

Why didn't the Governor of the Bank of Canada look into this cause of inflation? Where has he been? I keep thinking of the bird that flew the coop. Why was he not monitoring this increase, and where was the Bureau of Competition? We know where some of them were, they were criticizing our farm producers and telling us we had to be more competitive and attacking our marketing board systems, which are the most sophisticated systems in the world.

This study completely vindicates our farm marketing board systems. They have provided food to the Canadian consumer, high quality food at very reasonable prices. Yet, the consumer has been ripped off after the food has left the processor.

I am concentrating on the concentration in the marketplace. If this concentration is allowed to continue it is going to create more hardship for other sectors of society.

This is happening. We know the Minister of Agriculture has funded the Canadian Consumers Association to do a study of marketing boards, a study based on false assumptions. Why was there not an examination done of the concentration in the corporate sector? I want to emphasize that point. One of the retail food chains in western Canada—where there is a population of somewhere between 7.5 million people and 8.5 million people—serving the area from Thunder Bay west to the Pacific coast sent $545 million in dividends back to the parent company in the United States last year. How can we have it both ways, telling our own people that we have to be more competitive when $545 million is leaving this country in the form of dividends? It doesn't add up.

The Canadian farmer has to have a fair share of the consumer's food dollar or he will not survive.

I am deeply concerned about the concentration of power in the corporate sector. I fear that this will become a government of corporate decision. Who will provide the counterbalance to the marketplace if this concentration continues? Until now, in the rural sector, in the farm sector, those marketing boards provided that counterbalance to the marketplace. If they are traded away at GATT, where is that counterbalance going to come from?

It was just a year ago that the Minister for International Trade at the time, now the Minister of Fisheries and Oceans, chastized the Minister of Agriculture for the $8.8 billion worth of subsidies to farmers, $2.2 billion of that going to Canadian dairy farmers. That was not a subsidy. Their actual subsidy was $267 million. You know that, Mr. Speaker.

The government was using an aggregate measure of support, which was a concocted figure. It took the difference between what American farmers received for milk and what Canadians received for milk and called that a $2.2 billion subsidy, completely ignoring the fact that our input costs are 25 per cent higher on this side of the border. If that is a subsidy to our Canadian dairy producers, then I maintain that the fact that our interest rates in Canada are 25 per cent higher than those in the United States must be considered a subsidy to the banks. If it is sauce for the goose it is sauce for the gander. I hope this government realizes that before it starts giving away the store at the GATT negotiations coming up in the near future.

I fear the same thing is going to happen with the financial institutions.

I just want to make a quote from a news article. It is an editorial that says:

> The growing monopolistic control of agribusiness and food companies continues. Our federal government has not only allowed this growing concentration but has often encouraged it. We believe this concentration of agricultural and food enterprises is depressing farm commodity prices and depressing our economic recovery. About six corporations dominate the grain business. The big three control 80 per cent of the fed beef business and four or five of these companies also dominate the poultry and hog business. Some of the biggest companies own cattle feed yards, plus hog raising and poultry raising facilities. They are grain traders, grain exporters, feed manufacturers and food processors. We still "wonder" because strange things are happening. Total supplies of grains and beans are at the lowest levels in 30 years yet prices continue at record lows. During the past four weeks the bottom has fallen out of the cattle

markets. Meat packers say prices are lower because USDA reports show there is a glut of fat cattle in the feedlots.

Mr. Speaker, this must sound familiar to you because you are a farmer yourself, but that is an editorial out of *The Thumb Farm News* in the State of Michigan. I submit that the same thing is going to happen in Canada if this continues.

I also want to quote from another article in another issue of the same paper. The headline is "Feeding a hungry world from an empty shelf". I just want to say that this article points out very clearly that the supplies of grain and corn in the U.S. at the present time are at very, very low levels. It says:

The only meaningful supply of surplus food is in Western Europe and Canada. We are approaching our fall harvest with indications we'll have a reduced corn and bean harvest—.This in turn could reduce future milk, meat and poultry production. Meanwhile U.S. farm prices, adjusted to 1982 dollars, are the lowest in history and showing little signs of increasing.

The price discovery system in the marketplace is not working. Our Canadian farmers are the victims of this and they are the victims of the Export Enhancement Programs. I must say that even the United States Senate is now questioning crop estimates in the U.S., questioning the fact that USDA estimates are far higher than the actual fact and are misleading the market and misleading the American people and, consequently, reflecting on world markets.

This ties in with our Canadian farm income. When I look at the farm debt structure in Canada, I shudder. This industry cannot continue under current conditions and if this government trades away our dairy and poultry sector at GATT, you will see a tremendous erosion of assets immediately. I would suggest we look at the breaks the banks got on loans to Third World countries, a write-off in tax revenue of about $3 billion since the mid-1980s. I would suggest that the Canadian farmers should have the same treatment.

It is through no fault of the farmers or mismanagement that the grain prices collapsed. It is through no fault of theirs that they are in dire difficulties. Their dairy and poultry sectors are the only sectors in our Canadian economy that are showing a reasonable return on investment, management and risk, a return that has been questioned now in terms of aggregate measures support and other fancy names that are looked upon as subsidies. I want to make sure that this is on the record. We must stop this madness of thinking of trading away the best system of any country in the world, a system that has ensured ample quantities of high quality food to our Canadian consumers at reasonable prices and I ask specifically for this government to watch the corporation structure in this country and the concentration of power. More specifically, I ask the Governor of the Bank of Canada and the Bureau of Competition to examine more closely the causes of inflation and take action to prevent it so that the Canadian consumer is not being ripped off. The farmers of this nation have an income that is commensurate with the rest of society, an income that will allow them to survive and continue to produce ample quantities of food, not only for the people of Canada, but for the millions of starving people around the globe.

• (1610)

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I just want to make a very brief observation.

I was struck by the presentation of my colleague from Lambton—Middlesex. He highlights a point that has not been raised today with great vigour. While he has focused by way of explanation and by way of illustration on the circumstances that prevail in the farming community, he has touched a point that is central to all of us. The consumer, despite the fact that our party accepts this legislation in principle, has yet to receive the appropriate safeguards.

My colleague points to the inequities in our economy, especially as it relates to farm gate prices and to the conditions that ought to be nurtured so that we can give a fair return to a very important sector of our economy. The producers of agricultural products are finding themselves in a situation where they are reaping, in real dollars, much less than they were a decade ago. We have not been fortunate enough over the course of the last seven years to have a government that would address that reality.

Our colleague has pointed out so lucidly that we have seen a correspondingly high rise in retail prices, while the producer end of that whole process remains at a point inferior to that enjoyed a mere one decade ago.

It appears to me that under this legislation we are doing the same thing again except on the banking side. We are not taking a look at the consumer and perhaps we are not paying sufficient attention to the infrastructure we are putting in place.

Had we looked at things much more carefully in the agricultural sector, we might have been able to provide our producers and the agricultural component of our economy with a fair return. This would seem to be justified by those of us from an urban area and by the end price a consumer pays for products which emanate from the agricultural community.

I wonder whether my colleague from Lambton—Middlesex could give us an indication of what we might do to rectify the absolutely low returns our producers in the farming community are getting and at the same time satisfy the requisites of the general consumer for lower prices than the ones we are currently forced to pay.

My colleague from Lambton—Middlesex did a tremendous job at the international ploughing competition. He was there as a competitor, a friendly rival and he gave an education to urban members such as myself. At the same time he highlighted the importance of the agricultural community and the overall economy of Canada.

I wonder if he would give us an observation on that.

Mr. Ferguson: Mr. Speaker, I have given this a lot of thought over the years. I have always been involved in farm organizations. I have seen the ups and downs. I have seen the stability that was brought to these organizations through the involvement of this House by providing legislation to the producers.

It was legislation that brought stability to both the poultry and dairy sectors and was introduced in 1935 under a Conservative government. It created the Canadian Wheat Board that brought stability to that sector in the prairies that is suffering extensively at this time. It is legislation that as I indicated earlier developed the most sophisticated marketing systems of any country in the world.

I am very upset that this legislation may be undermined by negotiations that are taking place behind closed doors. This House has no input into it, and I have to wonder how any democratic society can proceed to neuter legislation passed through this Chamber behind closed doors in secret negotiations that do not involve those producers themselves.

I spoke on this subject on March 18 in a "late show" when I talked about the fact that this government has done nothing to counteract the export enhancement subsidies, provisions made in the free trade agreement under chapter 18 whereby a country is not satisfied with the action of another country.

I should refer back even further to the free trade agreement to when they agreed not to subsidize in each other's market. But the provisions are there in chapter 18 to ask for consultation and compensation for losses incurred. That has not happened.

I think, too, that we should support and enhance our producer marketing boards, agencies and commissions rather than taking away their legislative powers. There are rumours that they may lose their cost of production formulas. The rumours are that they may lose the protection of article 11, which provides that any country having a system of planned production within that same country can apply those same restrictions to imports.

It has been very effective in Canada. The United States has had such protection for years since the mid-1950s under article 22 of GATT. We may lose that. If they think it is a trade-off or a fair trade to trade article 11 with article 22, they are dreaming. Our input costs are 25 per cent higher here.

How do you break into another market in another country if your input costs are higher? It is impossible. I think what consumers should demand of marketing boards, is that the board of directors of those corporations be responsible for the huge increases in price to the consumers. Corporations have control of the food from the time it leaves the processor.

We have had 36 food processing firms close down in Ontario since January 1989. We know they are not the cause of the rip-off, but it is after it leaves that processor. Let us appoint consumers to those boards of directors. It is only fair. If you are going to have them on the one hand on producer agencies, let's have them on the other.

Those corporations are far more powerful than any of our marketing boards here in Canada. They control far larger dollar volumes of food.

I think we should be looking at the possibility of calling a royal commission of inquiry into the food chain after the food leaves the processor until in fact it arrives in the consumer's shopping cart.

I think we have to even strengthen article 11 to the point where it will include provisions for those countries practising sustainable agriculture.

I believe too that if our farmers are going to have to compete against products from other countries, the same health regulations should apply in those countries. The same herbicides and pesticides, other chemicals and hormones that are banned in Canada should be banned on all imported foods. These are things we can do to ensure the quality of imported food arriving on a consumer's table if we have to import it. Our own food in Canada is some of the best and highest quality in the world. I for one want to see those quality standards maintained even in imported foods.

• (1620)

I could go on and on with my colleague here. His question was right to the point. I have to commend him on his display of expertise in horseshoe pitching at the international ploughing match last week. I was delighted to be his host. You saw his expertise. For a member from downtown Toronto he did extremely well—

An hon. member: What's the matter with downtown Toronto?

Mr. Ferguson: —and I hear rumours that another colleague here who just commented was afraid to show his competence in the competition. He did not come in but I will take him down to the farm some day and I am sure you will come over and help me, Mr. Speaker. We will give him some instruction so he will be prepared to participate next year.

The Acting Speaker (Mr. Monteith): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Eglinton—Lawrence—Trade; the hon. member for Glengarry—Prescott—Russell—COSIC; the hon. member for Halifax—Port of Halifax; the hon. member for Cape Breton—The Sydneys—Rights of the Child; the hon. member for Parkdale—High Park—Canadian Passports.

Resuming debate, the hon. member for Willowdale.

Mr. Jim Peterson (Willowdale): Mr. Speaker I want to take this House back and try to reconstruct as best I can from the facts we have on record a story which I believe is sordid and which requires rectification.

It began some time in mid-1986. A company by the name of 158792 Canada Limited with its head office at 101 McNab Street, Markham, Ontario applied for a bank licence. This was not an ordinary bank licence in Canada but a licence as a Schedule B bank, a foreign bank coming into Canada.

Many foreign bank licences had been granted under the normal provisions of the law, a law which had been opened up very widely since 1980. In the ordinary course of events these banks were automatically granted their charters and their rights to do business in Canada. It was part of the policy of the previous government and this government.

However, something happened. The application for this bank licence became stalled. For 27 months our officials here in Ottawa sat on this application and would not grant it.

Let us go forward a couple of years. In the 1988 election, and the election campaign that took place on a very heated basis in 1980, there were some dramatic swings in the polls and the major issue facing Canadians was that of free trade. Canadians can legitimately be for or against free trade and were at that time because it was a major issue.

One thing that happened which I think is unusual in Canadian election history is that during the latter parts of that election campaign massive funds and massive lobbying started to pour in to Canada and smear campaigns were all over the television and the newspapers.

Who was launching this campaign? There was a massively financed campaign in the United States in support of free trade led by Mr. James Robinson and Mr. Ross Johnson. Mr. James Robinson is the president of American Express and Mr. Robinson, a director of American Express, was with J. R. Nabisco.

In Canada a lobby spearheaded by the Business Council on National Issues, whose chairman was David Culver, led the campaign for free trade. Is it any coincidence that Mr. David Culver was also a director of American Express U.S.? What we had on election day was not only the victory of the Conservative government which we all know about. Many Canadians, most people in Canada, did not vote for free trade. However, some-

thing happened on November 21, election day, apart from the electoral results. An Order in Council was passed.

How could the Clerk of the Privy Council scurry around on election day in bad weather and get the signatures of three cabinet ministers on a particular Order in Council? This Order in Council passed November 21, 1988, election day, was an Order in Council to create the Amex Bank of Canada.

On December 17, 1988, published in the *Globe and Mail*—and that was a Saturday just before Christmas—was a small ad saying that 158792 Canada Limited intended to apply for letters patent in order to become Amex Bank of Canada.

The member for York Centre realized in January 1989 what was happening and called for an inquiry. On February 1, 1989 I raised this issue publicly, asking for full details. On February 3, the Minister of Finance—I do not know whether it was out of embarrassment or out of a sense of what he thought was justice, I certainly thought it was the proper thing to say at the time— said to Canadians through this House: "We will not grant letters patent to Amex Bank Limited until such time as all of the financial legislation dealing with the banks is in place". It had been on the table for many years but the government was working to bring it to a head.

Why did we object vehemently to this indication that American Express would be able to carry on business in Canada as a bank at this particular time? Very briefly, American Express was in breach of five out of nine of the government's own guidelines for the admission of foreign banks to Canada. That is why the competent members of the bureaucracy had sat on this application for over two years and had not allowed it to go through. Five out of the nine guidelines of this government were breached the moment Amex Bank Limited was entitled to carry on business in Canada.

This was unprecedented. No wonder the minister was embarrassed and said: "We will give you the legislation before they have a chance to carry on their banking business". This was not to be.

Later, in spring 1989, we were told "No, we cannot wait for the bank legislation to come down. It is too urgent that American Express be granted its licence to do business in Canada". Finally, on April 25, 1990, the government bit the bullet—I am sure there were members of that government who did not want to have to bite that bullet—and issued the letters patent to American Express giving it the right to carry on the banking business in Canada in breach of five of the government's nine guidelines, which had not been changed. This was opposed by the Canadian Banking Association and by every person in Canada who believes that no person should be above the law.

• (1630)

Why this unseemly haste? Why did the government have to put the cart before the horse to grant privileges to a company. Did it have something to do with the free trade deal and the leadership shown by American Express both in Canada and in the United States in supporting the free trade deal? They are entitled to do that. Everyone is entitled to fight openly for the policies they want to see for Canada, but it is not fair for a government to give special privileges and break its own guidelines to anyone, regardless of how close they are as political cronies.

In this Bank Act amendment what do we see dealing with this particular issue, American Express. We see that the government has not even dealt properly with the issue at hand. It has tried retroactively to change the guidelines for the admission of foreign banks. It says: "You do not have to be a bank in your home jurisdiction. We will expand that. We will expand it to cover companies such as American Express".

American Express was not a bank in its home jurisdiction, the United States, nor was it regulated as a bank in its home jurisdiction of the United States. So what has the government done? It has said that pretty well any financial institution from the United States or abroad can come into Canada.

In the guidelines the minister brought down last fall for the reform of federal financial institutions, it said that schedule II bank designations would be expanded to include non-banks owned by widely regulated financial institutions that are not themselves banks.

The key phrase was "regulated financial institutions". Do we find that phrase "regulated financial institutions" in the new guidelines to deal with this type of situation? No, the government has taken out the word "regulated". So any type of so-called financial institution now has the

privilege to sweep through the door as a result of the legislation this government is attempting to pass to justify retroactively its privileged treatment of American Express. Is this good for Canada's financial institutions and for our financial climate? It creates a great deal of uncertainty.

Does it mean that institutions such as Ford Credit, Chrysler Credit, Sears, IBM and General Electric—which are huge financing institutions; they issue commercial paper and extend credit to the customers who buy their products—will be able to come into Canada to compete with our banks?

BCCI was a foreign bank that came into Canada. However, I believe there is some indication that maybe its ultimate owner was simply a non-bank holding company from Luxembourg.

Is it fair to impose upon bank regulators in Canada the obligation to supervise all of these foreign banks and the few that are Canadian? The vast multitude which are now doing business in Canada are foreign; over 60 of our banks are foreign. Is it fair to impose upon our bank regulators the necessity to regulate these and examine what they are doing in every other jurisdiction, in order to determine whether they are sound, whether they are obeying the laws, whether they are legal, and whether they are laundering money? No. We want at least to ensure, and the taxpayers of Canada want the right to ensure, that banks coming into Canada from abroad are regulated according to the high standards which we think are appropriate. In that way we will protect Canadian investors, Canadian users of the banks. That is right and fair. Why open this whole thing up?

That is not the only consideration. In the free trade agreement—and we did not see the final version in September—in the final version are contained some annexes. There is an annex B called "tourism services". Inserted in annex B, which extended free trade to various service industries, were tourism services including tourism related services of a financial nature. I would like to know who it was who lobbied the government to include tourism related services of a financial nature into the free trade deal at the last minute. Canadians have a right to know.

Was it one of the giants of international tourism? Was it a foreign firm? Why was it put in? Who was going to benefit from it? Why was it not included up front when these documents were being considered in September? Why was it slipped in, in November 1988?

Another problem we face in terms of the free trade deal with the United States is that our banks did not receive reciprocity with American banks. They did receive national treatment. That means that American banks coming into Canada can do as Canadian banks do here. American Express can also do in Canada some things that Canadian banks cannot do. It can sell all sorts of goods on its plastic. It has the ability to be in the tourism business. Do Canadian banks receive the same treatment in the United States as American Express does here? They do not.

Under the Glass–Steagall Act, Canadian banks cannot acquire U.S. securities firms. We did not get that right under the free trade agreement. American banks have privileges in Canada that Canadian banks do not have in the United States.

Another instance is the McFeddran Act. In the United States there are certain limitations on interstate branch banking. Canadian banks going into the United States are still subject to those restrictions. American banks coming into Canada are not subject to those branch banking restrictions.

We did not even get a fair trade for our Canadian banks. Not only were the laws of Canada breached to grant special privileges to American Express, but our own financial institutions are put at a competitive disadvantage.

The banks are asking Canadians to give them extended privileges: insurance, the ability to get into auto leasing, and many other things. These are privileges they have not been granted.

The banks have a point: "Why can't you give us at least the same privileges you are prepared to give to American Express? Why should we be hamstrung as financial institutions?"

The bank serves two functions in Canada. One is as a service industry to help finance, as intermediaries of deposits from every one of us, investment and business and job creation.

• (1640)

They are a key tool to a dynamic, growing economy. Let us look at them as an industry on their own, the employment and the innovations they are bringing, the technological changes and what they can do for our GNP, both in Canada and through their international banking operations.

When the banks come to the House of Commons and say to government "we want more privileges", how can this government with clean hands say: "No, we will not give them to you but we were happy to give them to American Express"?

I was hoping that the bank legislation would have dealt with this issue. I would hope that the committee would have a full opportunity to hear officials from American Express, the government and our bureaucrats as to why they held up this application for some 24 to 27 months.

I believe that this is an issue which needs a full airing, and I believe it is critical to restore confidence in a non-partisan operation of all our laws to all Canadians.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I really listened with a great deal of interest to a very well presented, unemotional, clear yet carefully documented and thoughtful look at why Mr. Grinch has come to visit Canadians not only through the free trade agreement in one or two areas, but also in a very important sector of our society, the banking sector.

I really want to thank my colleague and seatmate here for having brought this to the attention of Canadians. It is certainly something that very few of us I know were aware of. I would like to ask you, seeing as how we do not have a level playing field in either this area or in a number of other areas because of the badly negotiated agreements done by our colleagues across the floor, to explain firstly why the major banks of this country did not intercede or intervene.

Second, can you assure that when this bill goes to committee the big boys are not going to stop the playing field and are going to pull in the kinds of reports or the kinds of openness which will allow us a little glimpse into why Father Grinch got cinched in this deal, or singed?

Mr. Peterson: Mr. Speaker, I thank very much my seatmate, the member for Mount Royal, for this question.

First of all let me say this. When Canadian banks became aware of what was happening in this area they spoke out. The Canadian banks were the ones that were appalled by the lack of treatment according to law. They were appalled by the lack of rule of law, and they were appalled by the discretion which the minister took into his own hands in order to breach his own guidelines and grant favoured treatment.

Mrs. Finestone: Five out of nine.

Mr. Peterson: He broke five out of nine guidelines, and so the Canadian banks were on record on this particular issue.

The Canadian banks are still on record because they are worried. Now that the government has passed these wide open guidelines to justify retroactively what it did in terms of American express, all sorts of other financial institutions are going to be able to sneak in through the back door and compete in Canada.

If this is the intention of the government, let it come forth and tell us why it wants to see the Fords, the Sears and the Chryslers coming in here with their credit unions as banks. Let it make the case, and a case might be made in many of these cases. I would like to hear what it is.

It will be a very different set of financial institutions that we have in Canada. It will impose very different regulatory requirements. It will be a very big burden on our regulators here if we are going to allow every type of financial institution, whether regulated in the home jurisdiction or not, to come into Canada.

Please, Canadians deserve to be told what they are getting and why they are getting it and have open discussion and debate on it. It was not sufficient.

The minister told us with respect to American Express: "It is already in Canada doing some financial activities, therefore we might as well give it a bank licence so we can regulate it as a bank". That is not a justification that washes. This is going to committee and I hope that the hon. member for Mount Royal will come with her usual probing questions and sense of justice to ask members of the Department of Finance and mem-

bers of the banking establishment how it was that this licence could ever have gone through.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the hon. member for Willowdale, in his very able and lucid speech, talked about the granting of this nefarious licence to American Express that the government engaged in on election day in 1988.

Based on his extensive knowledge of world affairs, and particularly the dealings of the banks, could he inform the House whether in his view the granting of this licence had anything to do with funds that were contributed to those organizations that were advertising in favour of free trade during the election campaign, which necessarily implied a vote in favour of the Conservative Party?

Mr. Peterson: I cannot stand in this House and say that it was a *quid pro quo* and that somebody said: "We will support you in free trade massively if you grant us a bank licence".

An hon. member: It is a giant coincidence.

Mr. Peterson: I do not know. The facts are that the leading advocates of free trade in the last days of the election campaign of 1988, south and north of the border, were very closely linked to American Express. Shortly after that, a special privilege was granted by the Government of Canada to American Express on election day, November 21, 1988, and that was not the best of weather. People did not want to have to be out doors.

A clerk of the Privy Council, in order to have an Order in Council passed, had to scurry around and get the signatures of three cabinet ministers. I would like to see who those three cabinet ministers were. I think we have a right to know.

Why was it so urgent that this Order in Council be signed on election day? Was it because maybe the results of the election were not certain and that regardless of what the electoral outcome was, American Express had to get its Order in Council. I do not know. Is it normal to have Orders in Council signed every election day? I would like to know what the practices of past governments were. How many Orders in Council are signed on election day?

An hon. member: Where did they find the ministers on election day? Surely they were in their ridings campaigning.

Mr. Peterson: They had to go to the ridings to find the ministers.

I think there are enough unanswered questions. I say this to the hon. member for Kingston and the Islands who knows so much about the procedures of this House, and I seek his counsel and guidance on this. What would the best procedure be? Would it be to have this come before the finance committee?

Mr. Milliken: Yes.

Mr. Peterson: Would it be a special committee of Parliament? I welcome your views on how we would proceed. I believe this is a way beyond being a partisan matter. It is something which has concerned the banks of Canada for a long period of time. Our reputation as a nation among a community of nations is one which above all else respects the laws. There are no privileges and all are treated equally. It is a reputation which has been among the word's finest and must continue to be unsullied. That is worth fighting for.

I believe as members of Parliament we have an obligation to ensure that is done.

• (1650)

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I am pleased to be able to participate in this debate which is a very important one because it is only once every 10 years that we really get to take a broad view of the banking system in this country and how it operates.

I guess I found it ironic that I was on my way flying to Ottawa to speak on a bill on banking and I needed to drive from Prince Albert to Saskatoon to catch the plane. I stopped in my home town of Laird, Saskatchewan to see my parents who had just finished harvesting. They are still farming at 75 years of age because it is not profitable for young farmers to get started. My parents informed me they were quite distressed that the bank in Laird, Saskatchewan was closing, a bank that had been there I think since 1912 or 1914.

In my mind that serves as the backdrop as to what I wanted to say about this legislation. As with so much of the legislation that we see here, this legislation is directed at something that might solve a problem and might be helpful in inner Canada but might well be a total disaster again in what might be termed outer Canada. I want to give credit to the hon. member for Edmonton Southeast for introducing the terms inner and outer Canada. I think they describe things very well.

When it comes to inner Canada perhaps there is an argument that can be made for the kind of things we are seeing in this bill: the deregulation, the allowing of different kinds of financial institutions to merge and carry on businesses and partnerships, and so on. Perhaps there is an element of truth in the fact that in order for Canadian financial institutions to compete at the global level, to be there in Geneva, Paris, Stockholm, Tokyo, and wherever you all have to be in order to function at that level of finance, we need bigger institutions to be able to play the game at that level.

What we are in danger of creating here is what the hon. member for Nickel Belt described today as a whole cast of uncontrolled sumo wrestlers. These beings that are being created here are so huge that just the physical size of them makes them virtually impossible to regulate. It makes it virtually impossible to bring them under any kind of public interest kind of umbrella.

Maybe that makes sense for the wheelers and dealers in Toronto, Vancouver and Montreal and those people who feel that the free trade deal that we have already signed and perhaps the free trade deal with Mexico is a bonanza for them and the people they represent as shareholders and so on. I do not represent those kinds of people so I have not had the opportunity to converse with them personally, but I know what people think about the banking system in outer Canada.

In outer Canada the banking system is viewed quite differently, Mr. Speaker, as you know, representing a rural constituency yourself. Small business people, main street people, abhor many of the practices that the banks carry out, particularly in smaller communities. When I talk to the business community in Prince Albert, a city of 35,000, I hear nothing but a litany of tales about lines of credit being cut off, about loans being unreasonably turned down even for very worth-while enterprises by well established companies, but it seems that when somebody writes a story in Toronto that says Saskatchewan is in trouble, all of a sudden all the money dries up in Saskatchewan. That is just a common pattern that has been happening to our province at least for the last number of years.

This fact is more than amply demonstrated in the surveys that we as members get from independent business organizations that rank banking and banking services very low as far as helping them to do business.

Then we have the whole perception of the banking system in rural Canada. To rural Canada nowadays the banking system means foreclosure. It means being taking to court by the banks. What I am concerned about is that not only is the government not intervening in any meaningful way to enhance the financial situation of farmers, but in a situation where these financial institutions are all combining and forming conglomerates you could well end up getting your farm seized or machinery seized because you have not paid an insurance bill, for example. It will vastly widen the scope of what banks are able to do to the farmer and other consumers and business people because of the inter-relationships that will exist.

I might add also that this is made even worse by the fact that instead of having the stable agriculture system we once had, we have moved to increasing instability. This is not only because of the international factors but because we have got into the political *ad hoc* mode of supporting agriculture so that farmers have to go to the banker and try to convince them that yes there is an election coming in Saskatchewan and the federal government will likely be coming up with some money in order to get a loan. That is the kind of situation that we place the farm population in.

Another aspect of outer Canada that I would like to raise in this debate is that facing frontier Canada. Part of my constituency includes virtually all the northern half of Saskatchewan which is made up of 43 isolated communities in the forest, many of them Indian communities, mining communities and so on. There are a lot of communities spread out across Canada that are much like that.

Over the years the banking system has made untold billions of dollars out of those communities. There have been hundreds of millions of dollars in wealth generated by the mines, forests and fishing. Those banks have never seen a responsibility to return any part of that to those communities in terms of service. There are only three banking institutions in the north half of Saskatchewan. That means business people there are sometimes a two, three or four hour drive, sometimes even a flight away from a banking institution to do any banking. People who want to establish a line of credit simply

cannot because banks will not recognize anyone more than 50 miles away as being in their trading area.

We have a banking system that makes untold billions of dollars out of frontier areas but does not even show up to provide a service. I would like to comment on some breakthroughs being made in that area by peoples' own initiatives. I am speaking now of the major initiative being launched by Arctic co-operatives to develop credit unions in the Northwest Territories and also in my own constituency. The Buffalo Narrows Credit Unions will for the first time supply a banking service to northwest Saskatchewan.

My question comes out of this. We are now talking about the banking system in this country and it is clearly not working. We are seeing another retreat on another front that pertains to exactly the same question. That is the question that was raised in Question Period today by our leader, the member for Yukon, that is the move by this government to restrict the functions of the Bank of Canada. They are proposing to restrict the functions of the Bank of Canada to controlling inflation, to keeping inflation at zero per cent. That is a vast diminution in the role of the Bank of Canada.

Explicitly in the past the Bank of Canada had to pay attention to things like growth, unemployment and providing service to the regions. That is not in the Bank of Canada's mandate any more. I am asking in this legislation if we are not going to do it through private sector banking or through the Bank of Canada, what kind of mechanism do we have in this country to ensure that capital goes to the places where it is needed and to provide services some place other than where the big shots feel they can make some money? That question is fundamentally unanswered, and I think my basic criticism of this bill is that it is far too narrow in how it views the banking system.

In closing, my time is getting short. I would like to make some mention of what I think is a positive aspect of this legislation, and that is the changes to the Co-operative Credit Associations Act. The credit union system is a success story and does hold hope for outer Canada and for all those Canadians that will be marginalized in the post-free trade world.

There are about 2,600 credit unions in this country with 9 million members. Over one-third of Canadians are members of credit unions. They have assets of approximately $69 billion in this country. They are a significant institution already. With this legislation I have to give the government, the finance committee and others credit. They have given the credit union movement some new tools whereby it can get into commercial lending and can have some of the same powers and advantages that trust companies have. It is going to be able to raise capital from outside its membership base in order to be competitive.

• (1700)

I believe these are steps forward. It will also make it possible for the credit union system to better finance the rest of the co-op movement in providing services and economic hope to many of the regions of this country.

With that and recognizing the time, I would just like to say that the government has taken one step forward in a very important area, and that is the area of ensuring that credit unions and co-operatives can play their legitimate roles.

However, on the other hand we are still continuing the headlong retreat from the kind of financial system and the kind of economic structure in this country that will allow each Canadian to know that this country's economy is there to serve them and not to just serve the wealthy and the powerful.

PRIVATE MEMBERS' BUSINESS

[*English*]

INCOME TAX

QUARTERLY INSTALMENTS

Mr. John Harvard (Winnipeg St. James) moved

That, in the opinion of this House, the government should consider the advisability of changing the collection of income tax as it affects citizens whose income is not taxed at source so that senior citizens who are required to pay income tax in four quarterly instalments will be obligated to pay only one annual instalment.

He said: Mr. Speaker, I deem it a privilege to have initiated this motion and I am honoured to lead off today's debate.

The senior citizens of this country are being denied a choice I think they deserve. They have worked long and hard for retirement and they deserve the option of not paying income tax in quarterly instalments. Senior citizens and self-employed individuals owing more than $1,000 in income tax must pay quarterly instalments of their estimated annual income tax. Payment dates must be strictly adhered to and estimates of the next year's income must be reliable. That is the law.

I was drawn to this issue by a number of senior citizens in my riding who, like thousands of other Canadian seniors, have miscalculated their income tax or accidentally or inadvertently missed a payment date.

When this happens the government slaps huge interest charges on the late payment. Instead of giving them the benefit of the doubt, Revenue Canada automatically assumes that these seniors are maliciously trying to withhold taxes and defraud the government.

The vast majority of Canadians do not ever have to worry about missing a tax payment. It is simply taken off every one of our paycheques. But most seniors do not have that luxury. Like the self-employed they have to do the calculating themselves.

The government would like everybody to pay income tax on the weekly or bi-weekly schedule because ideally income tax should be paid as income is earned.

On the face of it, quarterly instalments sound like a fair compromise between bi-weekly payments and an annual lump sum payment. But for many members of our society this compromise simply is not working. I will bring forward testimony to that effect in a few minutes.

The government justifies mandatory quarterly instalments by claiming that allowing an annual lump sum payment would be like giving seniors loans in the amount of the tax payable. In theory this is true but in practice many seniors end up actually lending the government money between tax instalments.

Often seniors will overestimate and hence overpay the government because they are unable to guess how much income they will be earning.

The other justification the government uses to support mandatory instalments is that it is trying to help Canadian seniors avoid possible budgeting problems.

Pardon my cynicism, Mr. Speaker, but I doubt many Canadians appreciate this government giving out financial advice. We hardly need to treat retired Canadians like adolescents. The majority of our seniors have been paying income tax for decades, and they have learned how to budget after living through the depression and several recessions.

Research has shown that seniors can generally be characterized as economy conscious and they are less likely to use credit cards. This is hardly an age group that takes the attitude buy now, pay later. They could probably teach this government a thing or two. Enough has already been taken away from our seniors. They face old age security clawbacks, a crumbling health care system and caps on the funding of other social programs.

Our country has not prepared itself for an aging society. We often treat the elderly as a burden, not as an asset, and then every three months we turn around and tell them to pay up. I think we are a bit callous.

It certainly would not hurt this House to demonstrate a little bit of compassion and flexibility for once. Yes, we would be making an exception for one segment of our society, but this is not a case of benefiting one segment while depriving another. All Canadians could eventually benefit from this motion.

I cannot believe that the option of paying taxes at one time would really be too expensive for the government. As it is, an army of Revenue Canada employees must be paid to assess and reassess every tax instalment a senior citizen makes. Even retired accountants must have a difficult time accurately predicting every penny they will earn in the coming year. The single payment option could eliminate this guess work on the part of the senior and eliminate the need for ongoing scrutiny of his or her account at Revenue Canada.

The government might claim that estimating income should not be difficult for a senior citizen; after all they are usually retired so their income should not change much from one year to another. On paper this should hold true and it probably works out fine for many seniors, I will grant you that, but there are plenty of seniors who do not have straightforward incomes. They have investments that change from year to year. They

have part-time jobs and they can have enormous differences in medical deductions from year to year.

To top it all off, if they do accidentally pay less than they owe, they are not told so. They are simply told to pay the difference with interest—I underline that, with interest. No reminder, no statement showing where they erred; just give us the interest you owe us. No business in this country treats its customers like that. We are given 30 or 60 days to pay our bills. We are told in advance how much we will owe if we do not pay on time.

The government may justify this by saying that our seniors should know how much to pay and when to pay it because they are the ones who calculated the instalments in the first place. This argument lacks one crucial aspect, though. It does not take into account the fact that all of us, all of us, are likely to get a little confused and a little forgetful when we reach a certain age. This is not something that we should be punished for. It is simply a fact of life with many older citizens and it is something the government should learn to work around.

Because of quarterly instalments, it is very common to see people paying tax on income they have never seen. A number of my constituents have told me that although their Canada Savings Bonds and other investments do not mature until the fall, they are still forced to pay tax on them in the month of March.

• (1710)

One woman wrote: "Paying quarterly means paying on income I have not yet received. Thus, I am losing interest on money paid in advance while Revenue Canada collects interest on it. This to me is the same as my paying double interest".

Today's seniors grew up without the social programs that our young people now take for granted. Seniors do not blithely take what they can get from the government. Often they are too proud to ask for the services they deserve. On the other hand, they tend to give to this country. They volunteer. They fight hard on behalf of other groups and they pay their taxes.

It is rare that this Parliament has the chance to give something back to the people of Canada. So much of our time is spent debating policies that take things away from Canadians. For once we can do the right thing and make the lives of some senior citizens just a little easier.

If we can admit that the present system has failed many seniors, then we are on the right track. If we can save a few people from the headaches and confusion caused by quarterly income tax payments, then I believe we have succeeded.

I brought the motion to the attention of my constituents several months ago. I have received a lot of mail on this issue. With the Chair's indulgence, I would like to enter into the parliamentary record portions of letters I have received on this issue in support of seniors and in support of this proposed tax change.

Here is a copy of a letter I received. It went to Revenue Canada. A portion of it states:

"Enclosed you will find cheques totally $1,099.55. The cheque for $162.89 is so-called instalment interest which you have the unmitigated gall to charge me. The cheque for $936.66 covers two instalments of $468.33 for March 15, 1991 and June 15, 1991.

I am a senior citizen and for the many, many years that I have paid income tax, I have always paid in full on April 30, as required. I see no reason to change this procedure and I take exception to being told that I must pay quarterly or be charged interest".

That is a letter I received, dated June 7, sent to Revenue Canada and a copy of it was sent to me.

Here is another letter, dated July 30. I will read just a portion of it:

"I have never been notified for my 1990 taxes that I should pay quarterly. My taxes for 1990 amounted to $6,046.38, of which $1,796.77 had already been deducted monthly from my pension, leaving $4,249.61 to be paid. I sent my cheque and Revenue Canada sent me a letter saying I did not owe anything.

Two months later I received a letter requesting $336.00, since I had not paid quarterly. I was told I should now pay $1,062 quarterly for my 1991 taxes. I have paid my $336 and I still maintain it is not fair".

Here is another letter I received from a constituent, dated July 25, 1991. The letter starts off:

"Five months to Christmas. I heartily agree with that proposal of seniors paying income tax once a year only. It is ridiculous for a senior person to pay tax in March on interest income received in November on Canada Savings Bonds".

Here is another letter in support of this motion. This letter is also dated July 25. It comes from a constituent of mine. In part it says: "We are on a fixed income and every $100 earned helps us to meet our daily expenses and stay off the welfare lines. We try to live from interest income, and if the quarterly payments we now make to Revenue Canada could be left invested for the full year, it would be a step in the right direction."

Here is a recent letter that I received on the issue. It is dated September 12. It is a very short letter, and it is to the point:

> Re: Making a fairer tax law.
>
> We agree with you that the law, as it presently stands is unfair and should be corrected. You have our support, and we wish you every success in your endeavour to correct this injustice.

I have still another letter. This one is dated July 24 and it says in part: "It will not be too many years before we, too, will be pensioners. Truthfully, we would not relish the bother of paying our taxes quarterly."

I have another letter dated July 25. I will read just a portion of it. "With this letter, I would like to advise you that I am in complete agreement with your proposed motion before Parliament to do away with the quarterly income tax payments for seniors."

We get an idea of the strong feelings that pensioners have on this particular issue. I will continue with a few more letters, since I have another four or five minutes.

This letter is dated August 6. "As a pensioner, I find it a real hassle each year trying to determine what tax I should pay to keep from being penalized. Your proposal is an excellent idea, and I wish you great success with the motion being put before Parliament."

Here is just the first paragraph of a letter I received dated July 29: "With reference to your recent bulletin regarding the income tax assessment for seniors, my wife and I strongly endorse your proposal."

I have another letter, also from the month of July: "It certainly lifts my spirits to know you are doing your best for the elderly people in Canada. My stepmother is almost 80 years old and has served in the armed forces, and worked for the government until her retirement. She has never collected unemployment insurance and neither did my father. Of course, they paid into it.

Now, when my stepmother has a few years of leisure time, she is very worried about all the red tape involved in this quarterly tax payment."

This letter is dated August 22 and is from another senior citizen: "I am a senior citizen and I do not like to be told to pay every three months. I think once a year is all we should have to pay our taxes."

This letter is dated August 12. It is very short and to the point: "I am writing in support of your motion that would relieve pensioners from making compulsory quarterly income tax payments."

Here is one that is a little longer, and this will be the last letter that I will enter into the record. This letter writer entered into some calculation. It goes like this:

> Dear Mr. Harvard:
>
> Here is a classic case where the federal government is beating up on an 86 year old widow because she is about $200 short on paying 75 per cent of her taxable income and $549.44 short on paying the full amount.
>
> This was the total tax payable for 1990: $2,398.19
>
> This was the total tax credits for 1990: $1,848.75
>
> Balance due and paid by cheque in April, 1991: $549.44
>
> Interest and/or penalties on $549.44 was: $61.44

The writer continues:

> Every month from January to November, 1990, through deductions from her late husband's pension cheques, $100 was paid and in December, 1990, $175 was paid for a total taxes paid of $1,275 for the 1990 taxation year. The interest or penalty was charged because the amount paid ($1,275) over the 12 months of 1990 was not 75 per cent of the taxable income that should have been paid on the net income and therefore a note from the Federal Government, I quote, "have charged you instalment interest as one or more of these payments was late or insufficient".
>
> Another person may owe $5,000 to $10,000.00 at the end of the year but if they have paid 75 per cent of the taxable income in that year, then there is no interest or penalty charges on the $5,000 to $10,000.00 that was *not* paid in that tax year.
>
> The problem can be solved by general averaging over the last three years with no cost to all taxpayers.

The writer of this letter finishes off by saying:

> The Federal Government issue Old Age Pension cheques and C.P.P. cheques every month by computer so they have the capability to initiate deductions every month from those cheques. Thus seniors remembering to write cheques four times a year would be eliminated.

• (1720)

I think those letters are a strong testimony that senior citizens in this country are in support of this motion and would welcome a change.

I would welcome support from Parliament on this motion and I think this is a chance for all of us to do something for Canadians who have worked so hard for their country. I know that they would welcome it.

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, I am glad that I happen to be on House duty this afternoon so that I became aware of the hon. member's motion because I myself have an interest in this subject.

I imagine that there probably is not a member of Parliament who has not received representations from people and, in particular, senior citizens, who have come with their concerns about the fact that they have been required to pay instalment interest on their taxes or instalments on their taxes and in many cases they have been unaware of the need to do this in the past because perhaps they just, for the first time, came over the limit requiring such payments, and have been caught and have been required to pay interest and penalties.

I have, therefore, been considering this question of what might be done to relieve this matter. I would like to offer some comments to the hon. member as to why I do not think his particular method of solving the problem would be a good one, but I also would like to give him a suggestion as an alternative that might achieve the same end that I have been considering and plan to put forward myself through the vehicle of my own committee, the finance committee, of which I am the chair. I am hoping that perhaps I can convince him that my method might be superior and perhaps he would agree.

I think that we have to understand why we have instalments in the first place. By and large, they are for people who earn money that is not taxed at source. People who earn a wage receive a monthly pay cheque, have their taxes deducted monthly or perhaps more often from their salary and automatically remit it to the government. For people who are self-employed and receive income either through business that they are engaged in or through investments, interest, dividends and others, we require those people to pay income tax on a quarterly basis because to say that they only had to pay at the end of the year would be treating wage earners, who must pay monthly through their automatic deductions, unfairly.

In order to try to make it fair we say that people who earn income from interest and other sources should have to pay at least quarterly.

Over-all, I think that the theory is correct; for senior citizens or anyone else. I do not think we should necessarily identify senior citizens because there are many other people who may be required to pay instalments such as the operators of small business, just starting them up, where the amounts are relatively small.

The problem is that the $1,000 amount that requires people to pay instalment interest has been eroded by inflation to the point that a great number of people are being caught in the system who should not be in the system.

I would like to say to the hon. member that I think the objective here is to take a lot of people who are earning a relatively small amount of money, interest income or other income, and say: "You should not have to pay instalments, you should only have to pay once a year." I think that is proper. However, rather than apply a rule to all seniors that they do not have to pay instalments we should try to raise the limit from $1,000 of income tax owing to something more reasonable like a $10,000 annual income tax bill, at which point people will have to pay instalments.

That would be fair to everyone, seniors or people who are not seniors. It would also require that those earning investment income on amount—if someone has $1 million in the bank and is earning $100,000 a year—should have to pay instalment payments, just like wage earners have to pay monthly payments.

The difficulty in attempting to exempt a group of people is that it also exempts people who, some of us suggest, should be paying even more taxes. Those are people who are wealthy and perhaps have millions of dollars and are receiving dividends and interest of substantial amounts. We are not suggesting, or would want to suggest, that those people should somehow be exempted from paying their taxes on a regular basis.

I would suggest that what we try to do is focus on raising the limit and saying only those people who owe tax over $10,000, as opposed to the current $1,000 rule, would have to pay. This would take off the tax rolls for instalment payments 95 per cent of seniors, probably, as well as a certain number of other people who would then simply have to pay at the end of the year when they filed their tax return.

I would invite the member to put forward this suggestion, either in the form that he has it now or in another form depending on how he feels about my comments to the finance committee. I would like to tell him that we intend—the hon. member for Ontario was actually here in the Chamber— to strike a subcommittee shortly in which we want to hear suggestions from members of Parliament and others. The member should pass this idea on to the member for Ontario. We are hopefully going to hold hearings in which we can take ideas like this, examine them carefully and be in a position to make recommendations to the Minister of Finance for his next budget.

We are hoping to commence that process shortly after Thanksgiving. I am hopeful that the member will take the opportunity to pass this suggestion on. Also, I would invite all other hon. members to forward their suggestions on this and other subjects. We are looking for ideas, not ideas that are going to cost the treasury a lot of money, but ideas like this one which do not involve a lot of money. It would relieve the administrative burden for a lot people who are caught in the system inadvertently simply because the rule has been in place for 20 or 30 years without adjustment for inflation. All those people have been brought into the system who were really not intended to be in the system when the rule was first put in place. This would provide fairness for all taxpayers.

Mr. Steve Butland (Sault Ste. Marie): Madam Speaker, first of all let me congratulate my colleague from Winnipeg for this exceptional idea. I also thank my colleague from the government side for suggesting that the Tories would at least look at the concept the member has brought forward. I would suggest though that the government member's rationale that a 30 year old might take exception to a 75 year old getting a break that he or she might not get is the only comment to which I would take exception.

This is an exceptional idea. It is something that has been brought forward to me by many seniors as well. It is an aging population and more and more people will not want to take advantage of this quarterly tax instalment the government has in place.

I wrote to Revenue Canada and asked why it is doing this. The answer was: "We don't necessarily want to do it, but it is Finance that is dictating to us". It said in the statement that the options to seniors are clearly defined in the enclosed instalment guide. I will get to that instalment guide in just a moment to show how clearly defined it is for seniors. I suggest that it is not even clear for an accountant who deals with this each and every day.

• (1730)

When I spoke to a senior official in Finance in Ottawa about this ruling against seniors and self-employed people, he said: "I do not believe this. It is dictatorial. I think seniors should have the choice. I think there is probably a mistake here. I will get back to you".

A week later he said: "I am sorry. I was mistaken. It is Finance. It is income tax legislation. There is nothing we can do about it. I am sorry". The fact that even Finance suggested that it is mean-spirited gives me some hope that the government and the department will take a serious look at a ruling that seniors would say discriminates against them because they are seniors.

Why does the government have to be a financial adviser to a senior citizen? They are suggesting: "Allow me to decide what I will do with my money". The government suggestion is: "We are doing you a favour. We will allow you to pay every three months instead of hitting you hard at the end of the year". However, the seniors are saying: "I do not want that option. Don't do me that favour, please".

The fact is that Revenue Canada will get it out of the senior anyway because it can withhold the GST refund as it so often does. It will hold it against the person for the next five years. There is no danger of Revenue Canada not getting its just desserts. It will get its money one way or another.

It was also suggested to me not to worry that seniors would get an invitation. They receive an invitation to get involved in this quarterly instalment. Here is the invitation. Now, I must admit it has been photocopied and it is not in its booklet form. It is a veritable semantic quagmire that defies understanding by anyone, let alone a senior citizen, who reads it. In fact, here is the notice of assessment: "You may be required to pay your taxes for 1990 by quarterly instalments".

As an ex-educator I see the operative word as you "may" be. Not you must or you are obligated to. A senior will read that and say: "Great, I don't have to do this". However, later on they will get hit and they will get hit hard.

These are not necessarily wealthy people. Someone who has a total income of $21,000 a year is not wealthy.

This is from the Declaration of Taxpayers' Rights: "You are entitled to expect that the government will make every reasonable effort to provide you with access to full, accurate and timely information about the Income Tax Act and your rights under it". It says: "You are entitled to an impartial hearing".

I have had seniors come in and say: "I want to protest this". So, I protest on their behalf. Revenue Canada says: "Okay, you may protest and we will hold everything up. But, if the ruling is withheld then the interest will accrue. So you are in big trouble". Wait until I get to the amount of interest charged these seniors when they do not get their quarterly instalment in on time.

Here it is: "A new penalty was introduced in the 1990 taxation year for taxpayers who make late or insufficient instalment payments. A penalty of 50 per cent is charged on the amount by which the instalment interest exceeds the greater or the following amounts". We thought finance companies were mean-spirited.

Here is an example for a senior citizen to follow. "Peter is required to make four instalment payments in 1991 of $1,535 on March 15, June 15, September 15 and December 15. However, he does not make his first payment until March 31", that is 16 days late. "To compensate for making a late payment, Peter pays his June instalment on May 29, rather than on June 15. By paying his June instalment early no instalment interest will be charged when his 1991 return is assessed next year, as long as his remaining payments are paid on time". Do you understand that, Madam Speaker? Nobody understands it.

This is a tip for seniors: "If you realize during the year that your instalments have been less than the required amount"—how would you realize that—"or if one or more of your payments had been late, you can reduce or eliminate an instalment interest charge by overpaying your next payment by paying it early". Again, nobody understands this, let alone a senior.

There is so much here that I am certainly not going to read all of it and I do not want to bore anybody with it. However, it goes on. Near the end of the document, this instalment guide, this invitation says it "uses plain language to explain the common income tax situation". Well, it is not plain language.

I think I am getting away from the principle. We believe that seniors should be given the choice. They should be able to opt out of this wonderful program that Finance has provided them. They should be able to opt out.

Finally: "Improving This Guide: This guide is reviewed each year. If you have any comments or suggestions to improve the explanations provided in this guide, we would like to hear from you". Seniors across this country, and it would appear many of our colleagues, are suggesting to Finance Canada that it should scrap the guide, scrap the quarterly instalments, and give seniors a choice because they want the choice. Surely senior citizens have earned the right to decide when they will pay their taxes. They are not trying to cheat the tax collector. They will pay one way or another, they just want the option.

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, I would just like to make a few comments this afternoon on the motion before the House. I just want to read the motion into the record again:

> That, in the opinion of this House, the government should consider the advisability of changing the collection of income tax as it affects citizens whose income is not taxed at source so that senior citizens who are required to pay income tax in four quarterly instalments will be permitted to pay only one annual instalment.

I want to commend my colleague from Winnipeg St. James for putting this motion before the House so that several of us can have a chance to comment on it and the House can consider it.

What is the issue at stake? The issue is that seniors no longer holding salaried jobs and who may very well be on pensions of some sort, some more than others, are required to pay income tax on a quarterly basis. They must estimate their annual income and determine from that how much they pay every three months.

What is the problem? Well, the problem is that many times they underestimate their payment. They may be late, and, when and if they do, they suffer harsh penalties and terms of interest that are imposed upon them by Revenue Canada.

The facts are that seniors and other individuals owing more than a thousand dollars in tax per year must pay quarterly instalments or pay the price for not doing so. Payment dates must be strictly adhered to and estimates of next year's income must be reliable. Each year, thousands of Canadians make simple errors in calculating what they expect their income to be for the next year, and they may at times miss the date. Yet, the federal government chooses to treat them, for what may be a very innocent mistake, as people who are attempting to defraud the government and punish them with interest charges on these late payments.

An hon. member: Shameful.

Mr. Vanclief: On the face of it I admit that quarterly instalments sound like a fair compromise between the majority of people who have their income tax deducted at source and an annual lump sum payment, though we have to take a look at what it does.

• (1740)

Quarterly instalments are meant to act as equalizers to prevent the preferential treatment of one segment of society over another. However, for many members of our society this compromise simply does not work and is not fair.

As I said, often seniors will over-estimate and hence, they can over-pay because they are unable to guess—and that is what it is in many cases—how much their income will be. Interest rates fluctuate up and down. They do not know what their earnings will be for the year so what is one-quarter of what they are going to make? I remember one gentleman who came in to my office and had sent $350 in every quarter. At the end of the year he got a printout back showing he had paid up in full as of April 30. Then it said that he should have paid by instalment in the previous year. Because he had not, they gave him a warning. In other words, do a better job next year.

As this gentleman said to me, Madam Speaker, he used to have a skylight in the roof of his family room, but after he read that letter, he now has another hole. He said he was absolutely livid after having sent the money based on his calculation, he miscalculated and then was penalized for having done so.

The government suggested the quarterly instalments assist Canadian seniors to avoid budgetary problems. I suggest that these people who have gone through depressions, the Second World War, recessions and are now coping with the government's high level of tax, do not need any lessons in budgeting. If they have problems, heaven help the rest of us.

Seniors are not adolescents needing a guiding hand to learn how to handle their money. They taught us, with the exception of the government that we have at the present time. I am sure they could teach them a few things if only the government would listen.

As my colleague from Winnipeg St. James has said, enough has already been taken away from our seniors. They have had old age security clawback, a changing health care system, caps on funding and other social programs. This government is treating its seniors as if they are a burden, not the asset that they are. Then every three months this government turns around and says: pay up.

Madam Speaker, it would not hurt this House to demonstrate a bit of compassion and understanding and appreciation to the seniors of this country for what they have done during their more active years. I compliment the chairman of the finance committee, the member for Edmonton Northwest from the government benches who just spoke a few minutes ago. As he said, he is chairman of the committee. I compliment him on his suggestion but I point out to him that he is chairman of that committee and I am sure my colleague who spoke earlier this afternoon will give some thought to the suggestion of raising the matter. If we are not going to

annual instalments maybe the next best thing we can do is raise the limit somewhat above the $1,000.

Yes, we would be making an exception for one segment of our society, Madam Speaker, but I think we owe it to them. We have an opportunity here in this Parliament to give something back to the seniors in Canada. For once we can do the right thing and make the lives of our senior citizens a little easier. I recommend strongly to the finance committee that it listen to this motion, that it pay attention to this motion, and take some positive steps in that direction.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, as I rise to speak I think of a certain Manitoba senior who recently said to me: "What is wrong with them in Ottawa? Why don't they listen to us?"

The government may not have been listening, Madam Speaker, but my hon. colleague from Winnipeg St. James is listening. I thank him for his initiative and for giving me the opportunity to speak on this motion.

I read again for the record:

> That in the opinion of this House the government should consider the advisability of changing the collection of income tax as it affects senior citizens whose income is not taxed at source so that senior citizens who are required to pay income tax in four quarterly instalments will be permitted to pay only one annual instalment.

In essence, this motion asks this government to allow seniors to pay their income tax in one annual instalment and to be given an exemption if they wish to have one. I listen to the seniors. In fact I say this government better start listening to them.

Seventy years ago, only one in 20 Canadians was over the age of 65. By the year 2021, one of every five Canadians will be a senior. Unlike the stereotype most people have of seniors, they are not feeble and frail. Very few of them are actually frail. Sixty-seven per cent of seniors aged 65 to 74 years say their health is good or excellent.

These people are individuals who have led full lives. They have friends and family. They have grandchildren and hobbies. They like sports and stay tuned to current affairs and politics. They regularly watch us in Parliament, in this House. I am sure many seniors today are watching us as we debate this bill.

Many seniors use retirement to go back to school. Unlike in the past when universities and colleges used to be places for the young only, these days every age group in society is represented.

Let us trample the myths that surround old age. These people are busy. They are too busy to be troubled by completing income tax returns every three months. They do not want to be married to a bookkeeper or spend countless evenings calculating estimated earnings. Why can they not pay their taxes once a year? Is it such a difficult wish to grant to our seniors who have helped build this country?

The Manitoba Society of Seniors often helps older men and women who are having trouble doing their taxes. Carol Roberts, Executive Director of the Society says the tax situation is "definitely very frustrating for seniors".

Seniors sometimes have to take money out of the bank early, or lose a month's interest on a bond in order to pay their taxes. At the same time, the Department of Revenue says: "Quarterly income tax payments are easier for seniors because it teaches them how to budget."

I repeat: "it teaches them how to budget." Have you ever heard anything so ridiculous, Madam Speaker? These people made a home in Canada and raised their families. Indeed, they have built this nation, as I said. They saw good times and bad, lean and plenty. Many saved money to see them through their retirement years. Many keep working until their final days, and the government believes that these seniors do not know how to budget.

This to say the least, is insulting. In fact I think seniors could teach the Prime Minister, this government and the Minister of Finance something about budgeting. Ms. Roberts says: "A yearly tax payment will cut down on expenses and worry. It is only common sense."

Where has common sense fled Madam Speaker? It is not only with taxes that seniors are having trouble. They are finding that the government has replaced the mailman with a superbox that sits on the corner, three blocks from their home.

In the winter in Winnipeg North, my constituency, that means three blocks of ice, snow and howling wind between them and a letter from their son or daughter. It

is three blocks of rain or subzero cold between them and their pension cheque. Little thanks Canada Post, for sacrificing service for profit.

It was not until the government tried to deindex pensions that it felt the full wrath of seniors. I was glad to see that the government had the common sense then to turn and flee from such a foolish plan.

The government now has another splendid opportunity to redeem itself, to cast off its cloak of arrogance and insensitivity. It can demonstrate that it listens to common sense and decency and accept this private members' bill.

• (1750)

Once in awhile there is merit in listening to our seniors. I hope the government will see that. In fact, if the government would listen more it would begin to learn fast because our seniors are trustworthy. They have experience and they have wisdom.

I strongly support this bill of my Liberal colleague, the member for Winnipeg St. James.

Mr. René Soetens (Ontario): Madam Speaker, I rise to participate in the debate on this motion. I do want to thank the hon. member for Winnipeg St. James for bringing it forward. Back in April or May seniors had submitted their tax returns for the 1990 income tax year. They had met their obligations. They put their returns in the mail and, yes, many of them included the amount owing in their return, only, lo and behold, to receive a notice. Whether it be in late April or early May or mid-May, the government said to them: "Yes, we have your cheque. We have the amount. We agree with everything that you have said relative to the tax owing, but there is this problem. You did not pay these quarterly instalments as you should. You did not submit to us 75 per cent of the tax owing on an instalment basis and therefore, although we agree that you paid your tax bill, there is a penalty and there is interest". He and I think most members of the House received those kinds of submissions this spring.

Certainly it was a new submission that I had received. It is not one that I had run into last year or the year before. I am not sure why, but anyway it happened this year. In that sense I can understand why the member brought forward this kind of presentation.

I should point out that I did have some seniors come into my office. One lady in particular in her late seventies came in with her husband who was in his early eighties. They had the problem that has been described. There was income earned, there was marginal tax paid, and at the end of the year they submitted their returns only to receive this letter that said: "You should have made quarterly instalments".

The question that was asked by this lady who did the return was: "Why was I not told? Why was I not aware that I had to make these instalments?" I mentioned to her that one of the things the government does annually—there are a number of documents, I think some of which were referenced by one of the other members who spoke— is to include in one of the OAS payments that is made by the Government of Canada a notice about the quarterly instalment requirements and how it is possible for a senior, in fact for anyone receiving government cheques, to create a deduction process so that they can make not only quarterly instalments but monthly if they prefer.

The lady mentioned to me: "Well, gee, I guess there should be more emphasis on that because I would like to take advantage of those quarterly instalments. I would like to because I find it difficult to write a cheque for $2,800 at the end of the year. We prefer to pay $700 a quarter". Yes, it is budgeting, and I can certainly understand comments from one of the members from Winnipeg that seniors certainly know how to budget. Nobody is debating that. They do, but some do have difficulty as I am sure all members in this House will agree, making ends meet. There is just not enough money to go around for all the things that they feel they need or would like to do.

Sometimes if you only have to make that quarterly payment there is a tendency to borrow that $10 from that bank account and replace it next month or the month after. Well next month comes and you do not replace it, and particularly for seniors it becomes very difficult. I understand what some of the members have said, that seniors pride themselves in paying their bills. You can just see it when the tax bill is due in a municipality. Who

are the people who are lined up to make sure that they pay that bill on time? Senior citizens.

It is a problem if you allow them to make one payment a year. Some of them do prefer to have that option of making those quarterly instalments.

In this motion the member has put forward, nothing prevents that from happening if a senior wanted to make those quarterly instalments.

I come to the other side of this equation, quarterly instalments for simply a blanket suggestion of seniors, and there are very few seniors who fit into this category. Imagine a circumstance, as was described by several speakers, in which people receive the Canada Savings Bonds interest in October or November, but they really have to pay the taxes six months before, in March. Not just Canada Savings Bonds, there are many seniors who have registered retirement income plans that pay out toward the end of the year, or savings certificates at banks. Interest payments are like that.

Imagine another circumstance. For example, the Bronfmans are shareholders in large corporations and those corporations might only pay dividends in December. I do not know what the income of the Bronfmans is, but it is certainly substantial.

Imagine saying to them: "We realize you have a million dollars in dividends this year, which you got paid in December, but it is okay, you do not have to make any quarterly instalments on that kind of income".

I can tell you that members opposite and members on this side, I for one, would be rather upset to think of people like the Bronfmans, the McCains, the Irvings, the Reichmans only making payments once a year. I have great difficulty with that. That is why I have some difficulty with the concept of the motion the way it is presented.

We heard the hon. member for Edmonton Northwest talk about a proposal within the finance committee. I can tell you that when I started to receive these calls back in April, when we were setting up the agenda of the finance committee, that was one of the very clear suggestions I made. We should review a number of tax proposals that do not necessarily cost the government less revenue or more revenue. The way they are structured is not working.

I had this one in mind and a number of others. The committee agreed, with the support of all members of the committee, Liberal, NDP and Conservative members, that there are some tax things we ought to look at.

I can tell the hon. member that in support of what the member for Edmonton Northwest indicated, the committee will be receiving submissions and we hope to start our work on this subject and others that relate very closely to this within about the next three weeks, with the aim of producing a report with specific recommendations.

I guess I would comment that although I do not necessarily support this motion the way it is written, I do support the idea that there ought to be a group of people, seniors and others, who are on that very low threshold of income. Those who have to pay more than $1,000 a year of income tax should be given the option of only paying their tax once a year. They can choose that option. For that lady who came into my office who would prefer a quarterly system, I certainly would not want to deny that option to her if that is what she prefers.

I think there should be a mechanism in place whereby some people can make their tax payments once a year and that should be at income tax time, the end of March. I think there is a threshold that I am sure we in this House can come to that would be acceptable, so that a lot of seniors would not be faced with the challenge.

What is that threshold? I am not sure. I use the names of maybe four families whose names are well-known. I do not know how much they make. We can all only speculate on that matter. I guess what I am saying is that I do not think these kinds of things should be blanket rules for all people. There are a number of senior citizens who are still working. Seniors beyond age 65 who are gainfully employed on a monthly basis and receive cheques have to have their income tax deducted at source.

There are some seniors who have one method of income who have to pay monthly or bi-weekly, or however they are paid, and you would establish another rule for other seniors who receive their income in a different fashion.

• (1800)

I like the idea of what is being presented by the member. I can say that as a member of the finance committee we have discussed this in a preliminary stage. Our workload has not permitted us to get on to the subject yet. Even yesterday we had a discussion on the subject and said: "Okay, we want to get going on some of these other issues".

There are a couple of other things on the finance committee agenda, but we are within the next week hopefully going to release a request for members of Parliament to deal with this kind of tax suggestion. I suspect in our work with our constituencies we know of a number of these kinds of things, where for a very minor change we would satisfy an awful lot of people. It would not cost the Government of Canada really any money or any lost revenue, but it would be a very positive thing to do to make the system of taxation in this country as fair as possible to as many people as possible, if it is possible to have taxation fair.

Nobody likes to pay taxes. We all recognize that there are a lot of things we get from government that have to be paid for. People are willing to pay their share, but let us make it so that some people who find it a little more difficult to pay their share on a monthly or quarterly basis have an easier way to do it. I look forward to that debate in the finance committee.

Madam Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TRADE

Mr. Joseph Volpe (Eglinton—Lawrence): Madam Speaker, I want to take up a question that I raised March 31, 1991 with respect to international trade, specifically as it was impacted by the free trade agreement.

I was very specific on that day inasmuch as I asked the Minister of Finance to take a close look at the way that Customs officials on the American side of the border were monitoring Canadian products going into the American market. They were doing it with a severity that was being harmful to our own products moving south. At the same time Canadian Customs officials were being a little bit more generous in the way that they were applying Canadian Customs regulations on products of American origin.

The Minister of Finance at the time gave me an indication that he would look into the matter. When I gave him very specific items of indication, especially relative to the printing industry and the impact on 70,000 employees of the printing industry, the minister at the time said that he would look into it with more precision and would get back to me.

Today is September 26. In the meantime, what we have seen is that there has not been any effort to level the playing field. The free trade agreement was supposed to level the playing field between Canadian and American marketplaces, between Canadian producers and American producers. We were going to open up the markets on one side and on the other. No such thing has happened.

I pointed out on March 31, and I gave very specific examples, that American clients of Canadian producers were actually closing accounts because the consumers in the United States were rejecting products marked "made in Canada". I find that absolutely shameful.

The tardiness of the minister's response is absolutely inexcusable. It is absolutely inexcusable because we have had a series of studies that have been produced since then that have indicated the impact of the free trade agreement on Canadian jobs and on Canadian manufacturers.

For example, one study gave us an indication that 315,000 manufacturing jobs in the first 29 months of the post-free trade agreement were lost, most of them from the province of Ontario. They moved south. There is a sorry admission by the senior advisory to the then Minister of Finance: "The problem now is that we are losing manufacturing activity itself to the United States and that once these jobs go outside Canada they aren't coming back". He preferred to remain anonymous for understandable reasons.

Not only are we losing trade, we are actually losing our ability to produce products so that we can generate trade. The main reason for it again is because what is happening is that the states bordering on Canada are engaging in a very competitive, aggressive, and I might say perhaps not totally ethical, attack on our manufacturing sector.

The Canadian Manufacturers' Association last spring surveyed some 635 members and 237 of them concluded that it would be cheaper to operate in the U.S., in states bordering on Canada. Some 156 of them had been approached by state governments to relocate south. The incentives are lower taxes, lower land costs, lower operating costs, and other kinds of subsidies that we cannot offer. Those kinds of subsidies were not supposed to be a part of the free trade agreement.

I was looking forward to getting a response from the Minister of Finance to give Canadians an explanation as to why we would tolerate those kinds of practices south of the border that drain away our manufacturing sector but we cannot do the same thing here.

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister of International Trade): Madam Speaker, I want to take this opportunity to provide some clarification in response to the question raised by the hon. member for Eglinton—Lawrence regarding U.S. requirements for country of origin markings which have raised concerns in the Canadian printing industry.

According to the U.S. Tariff Act of 1930, all foreign goods imported into the United States must show the country of origin in a readily visible location and in as legible, indelible and permanent a manner as the nature of the item allows. The U.S. Congress wanted the ultimate purchaser to be able to know the country of origin upon inspection of the item, before he decides whether or not to buy it.

Madam Speaker, the government understands the concerns of the Canadian printing industry. During the free trade talks with the United States, we tried to reach an agreement on eliminating these requirements for Canadian goods.

The U.S. government refused to consider substantial changes in its marking regulations. We intend to raise the matter again with the United States and Mexico during the trilateral talks on North American free trade. We will make every effort to have these requirements eliminated for goods originating in Canada, but we are not very clear as to what kind of measures will be accepted during these talks.

We also raised the matter with GATT in the Uruguay Round. Madam Speaker, the hon. member also raised the question of Canadian marking regulations. This is a matter for the Minister of National Revenue, but I can inform the hon. member that the hon. Otto Jelinek recently wrote to the president of the Canadian Printing Industries Association, giving the assurance that customs officials at Revenue Canada were reviewing the administration of the regulations on marking of imported goods to guarantee that the regulations are administered according to the same rules and in the same spirit.

[*English*]

COSICS

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, earlier, on September 23, I asked a question in this House about the notorious COSICS contract.

Let me refresh the memory of the House as to what we are talking about. In the summer of 1987 three bids were entered on the COSICS computer contract for External Affairs. Fenco-Lavelin was one of them, SHL Systemhouse was one, and DMR was the other.

In October 1987 the bidders were advised that there would be a bid recall and to re-submit bids by January 1988. Unfortunately the bids apparently were visible from one bidder to the other, which means that the bidder who had the least advantage was able to find information to enhance the bid.

Be that as it may, there were three bidders—the same ones again—in January 1988. After the bidding process was over, the losing bidders alleged that there was bid rigging in the process and the RCMP was invited to investigate the situation.

• (1810)

With regard to another related inquiry, an alleged sting operation against a member of the other place, the Marin commission of inquiry heard testimony from one of the losing bidders, a Mr. Ducros, who said that he had lunch in a Montreal restaurant with, and I will read it from the transcript: "Senator Michel Cogger" and another Senator, and that name is blanked out. The name is on the court document that I have in hand. It is blanked out. The only thing that we know is that the last letter is "u."

There have been numerous similar allegations with regard to this bid. There have been cost overruns of a magnitude which is unbelievable. We have now heard, in an interview that the Minister of Supply and Services gave earlier this week, that the whole system, after spending some $53 million for the first phase, not only does not work but will not work. The only thing it will do is connect Ottawa and Washington. To connect Ottawa and Washington all we need to do is put someone with a briefcase on a plane three times a day.

[*Translation*]

We don't need to spend $53 million and have all this scandal, and then be denied information. I am very anxious to know the answer. Who is this person with eleven letters in his name, the last one a "u"?

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, the Department of Supply and Services, on behalf of the Department of External Affairs, signed a contract to acquire a Canadian on-line secure information and communications system.

To date, the Department of External Affairs has spent $53 million, not $140 million, of a budget totalling $56 million for the first phase of COSICS, a new secure telecommunications system to replace the old system that the department uses throughout the world on behalf of all departments.

Therefore, Phase I of COSICS is within the budget allocated by the Treasury Board ministers in 1987. The project is two years late. This is not an excuse, I agree, but it is one of the most complex and important data transmission projects ever undertaken in Canada. Phase I of COSICS is operational; since late 1989, it has become the mainstay of our North American secure communications system, with 1,100 daily users. Now that system installation is complete, we expect final approval of system security by the end of the year.

Madam Speaker, the department has not stopped the project, on the contrary. This project was designed in two phases, precisely for the purpose of checking system reliability. The rapid progress of technology in this field since 1987 well shows the wisdom of this approach, and the hon. member for Glengarry—Prescott—Russell will surely agree with me. The department is using personal computers to make up for lost time and to complete the project within the limit set by the 1987 budget.

Madam Speaker, I will certainly not answer speculative questions about a twelve-letter name supposedly on a document we have not seen that the hon. member says he has. I have no information and it is not for me to play that role. Let the court do its job, Madam Speaker!

[*English*]

PORT OF HALIFAX

Ms. Mary Clancy (Halifax): Madam Speaker, I rise this evening, as I have done repeatedly in this House this year and last year, in what is so far a futile attempt to convince this government that there is a crisis facing the port of Halifax.

The latest occasion was Thursday of last week when I asked the Prime Minister about a report that had been initiated by Ports Canada and that we understand to be completed but that was not going to be made public, was not going to be given to members of Parliament for the city of Halifax, the city of Dartmouth, and in Nova Scotia generally. I asked whether the Prime Minister had any words which could lead us to believe that there was an interest in saving one of the great ports of this country which is in clear and desperate distress.

The response, I am afraid, was again evasion. It is my submission that this government must act now to stop the decline into obscurity of what has historically been Canada's greatest port. It is not as though we are asking for a handout.

Halifax has managed to get by with a great deal less assistance than some of our competitors. We do not mind that. We are not complaining but we do note that there are virtually free ice-breaking and pilotage fees for the port of Montreal. We note also that there have been MIL bailouts in the order of $350 million.

I note most particularly, as I have noted before, that there was a decision by the Government of Canada to assist CP Rail in the purchase of the Delaware and Hudson railway. This is a thorn in the side of Haligonians, and Nova Scotians generally.

This railway is now drawing business away from the port of Halifax. It is drawing it in great numbers, to the direct advantage of the port of New York.

This government speaks of competitiveness, presumably in an effort to rationalize our practices with those of the United States. That is fine, too. The port of Halifax has been and can be competitive if the government does not close it down as a result of its policy.

The Americans, for example, have invested $750 million to upgrade the ports of New York and Baltimore. What kind of environment is that subsidy to those ports going to create for Halifax? What is it going to do to Saint John? What is it going to do to Montreal?

Given the government's silence on this matter, apparently the government believes that the ramifications will not make much difference. I can tell you, Madam Speaker, they will, they do, and they have.

When will the government open its eyes to the fact that CN Rail is currently uncompetitive, grotesquely so? It is uncompetitive because of the National Transportation Act, because it took CN eight years to wake up to the fact that its rail rates were too high, and because the government taxes the railway far more than its American competitors are taxed.

We need the federal government to help us create the famous and oft talked about level playing field. Make CN Rail competitive. Lessen the tax burden, both on the port and on the vital infrastructure surrounding it.

If the government gives Halifax a fighting chance instead of subsidizing its competitors, then we in Halifax can do what we have always done best. We in Halifax want the chance to do what we have always done best. What is that?

It is to move the world's goods through our port, the port of Halifax, the port that is the best in the world if we only have the chance to show it.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I think we have answered the question on numerous occasions for the member.

Whether she cares to admit it the difficulty facing the port of Halifax is the product of a highly competitive global trading environment that all our ports are facing.

It is time that everyone who is concerned about Halifax started to work together. It is clear that we on this side of the House are doing so. As the Prime Minister told the hon. member last week, he met with the premier of Nova Scotia, who brought constructive and thoughtful proposals for the benefit of the Halifax harbour.

In addition, both the Canada Ports Corporation and CN have been working very hard to increase their marketing competitiveness. CN has firmly committed itself to the Halifax route and it is presently leasing double-stacked cars to service containerized freight traffic.

In addition, the railway is increasing the overhead clearances of the Halifax-Moncton portion of the CN main line. The provincial government of Nova Scotia has committed up to $11.1 million to acquire modern, double-stacked rail cars.

My hon. friend opposite in her question mentioned a specific report concerning competitiveness. As I understand it, the Ports Corporation conducted an analysis of the container situation. The Ports Corporation has made the decision not to release the report.

Instead, it is confident that what is more important for the port of Halifax is that it has undertaken an exhaustive program of consultations with the groups that have an interest and a role to play in the continuing viability of this great port.

• (1820)

I would like the House to know, for the record, that none of us is in the least bit complacent about the problems facing the port of Halifax. Nevertheless, it would be more useful to extol the virtues of this port rather than focusing on the negative at every opportunity.

The member could perhaps also admit that even with today's problems, the port output is still well above what it was five years ago. Indeed, since 1984, according to the Halifax Port Corporation, the port experienced continuous growth until this year.

I can assure the member, as the right hon. Prime Minister said, that this government will be working in partnership with the provincial government, the railway and the port officials for Halifax's future prosperity.

Adjournment Debate

RIGHTS OF THE CHILD

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, this government, to the embarrassment of all Canadians, is refusing to ratify the UN Convention on the Rights of the Child.

Madam Speaker, as you know, we are signatories of this document. Our very own Prime Minister co-chaired the conference which produced the convention, yet he and his government steadfastly refuse to ratify it. I do not think that this is acceptable.

However, I believe I know why this is happening. Part of the convention reads:

> Any child that is deprived of liberty shall be held separate and apart from adults unless it is not in the interests of that child to do so.

These few lines are very progressive. It is a valuable document and our government, by not ratifying it, is preventing much needed protection for children. Why? Because these words stand in contrast to the government's own policy of transferring young offenders to adult prisons to serve their sentences.

There is a very great concern out there, particularly in the large cities, about young offenders and the fact that these young offenders are committing so many crimes and are back out on the street in a short period of time. However, what the people do not realize is that the problem with young offenders originates with the government and its policies, that the government incarcerates young offenders with adult criminals where they are assaulted physically and sexually, learn more about crime and how to commit it and are back out on the street in a relatively short period of time without any kind of rehabilitation.

This is wrong. Certainly the young offenders should be incarcerated until they have the proper rehabilitation and assistance. This may mean longer periods of time. Certainly that is acceptable. But what is not acceptable is to put young people out on the street again without proper assistance. To incarcerate them with adults is only exacerbating the problem and making these young people, when they get out of incarceration, more susceptible to committing other crimes.

It is being done because building youth detention facilities is not a politically positive move. It reflects, in all of us, the shortcomings of we as human beings, but it is necessary to have a youth program that is going to serve the needs of that youth. The problems of violence in our cities is now rampant. We have to look at it realistically. We have to ratify this agreement and government has to look at this question.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I am pleased to respond to the question of the hon. member with respect to the ratification of the Convention on the Rights of the Child.

As you all know, the convention came into force on September 2, 1990. Canada had signed the convention on May 28, 1990.

The Department of Justice has co-ordinated the review of federal legislation and policies in light of the convention. We are proud to underline the fact that Canadian legislation and policies dealing with children's rights are progressive and go far beyond the objectives of the convention.

With respect to the specific issue of the detention of children, the convention provides that a child deprived of liberty shall be separated from adults unless it is in his or her best interests not to do so. Although we are in agreement with this principle, we consider that it is necessary to enter a reservation. There are two reasons for that reservation.

The first one is that we must be able to take into account other relevant considerations, such as the well-being of other children kept in custody or the safety of the public.

The second one is that we are currently in the process of consulting with the provinces and the territories on the issue of the appropriate placement of young offenders.

We need time to complete this process in a responsible fashion. We are trying to develop a response which is the most appropriate, taking into account all of the circumstances of young offenders who have been transferred to the adult court and other young offenders.

The hon. member has suggested that the situation of young offenders being held in custody is going to be made worse by Bill C-12, an act to amend the Young Offenders Act and the Criminal Code, which is presently before the House of Commons. He refers to the proposed amendment to test for the transfer of a young offender to the adult court but which retains the principle of the interest of society and specifies that this

principle includes the objective of affording protection to the public and to the rehabilitation of the young person.

The objective of the federal government is to ensure that the best possible decision can be made at a transfer hearing in the interest of both the youth before the court and of the public. The proposed test is not advanced to secure more transfers, and transfer as an option is intended to remain an exceptional procedure.

Given the range of interpretation to date on the current test, it was viewed as highly desirable to lessen the unequal application of the test and to reinforce the notion that both the needs of the youth and the protection of the public are primary considerations.

It is our understanding that all provinces and territories support ratifications of this important convention and we are working together to promote and improve the situation of young offenders kept in custody. The reservation would permit us to ratify the convention before the end of the year, before awaiting the completion of the federal–provincial–territorial consultation.

CANADIAN PASSPORTS

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, last week in this House I raised the matter of issuing false passports, as did the leader of my party, and as did the member for Scarborough West, our immigration critic. Since then I have been increasingly concerned by the attitude displayed by this government and the response received.

When I travel to other countries, I am treated very well, thanks to my Canadian passport. When my constituents become Canadian citizens, they are amazed at the respect the Canadian passport garners them at border points where before they had been less than welcome.

Will this continue? Will Canadians still be so welcome when the international community hears that this government will issue a false passport in three days if you go in person and in two weeks if you use the mail–in program?

The minister responsible said, and I quote: "Security is our highest priority in the issuing of passports".

I did some checking and security is not exactly air tight in the passport office. I was shocked to find that the guarantors are checked at random. In my career as principal and as member of Parliament, I have signed dozens of forms as guarantor. In over 30 years I only had two calls to check, to verify whether I knew the applicant applying for the passport.

When the guarantors are checked, after the passport is issued, how does the minister propose to get the documents back after the fact, particularly since the fraudulent passport was probably mailed to a false address?

I was also shocked at the ease with which birth certificates can be forged, sometimes with as little as a bottle of white–out and a photocopier. Clearly, there must be more stringent measures adopted.

I call on this government to immediately develop national standards for birth certificates, standards which are the same for all provinces. Huge amounts of money are spent in the printing process to ensure that Canadian passports cannot be forged. In relative terms precious little time is spent to ensure that the passports are not issued based on false documentation.

I call on this government to use the $5 million surplus in the passport revolving fund to hire enough people to call every guarantor personally on the telephone. Sometimes a constituent comes to my office asking for help getting some kind of a travel document while they are waiting for landed immigrant status in Canada. I cannot say how many times I have been asked: "Are you asking us to push this case without the proper security checks? Are you asking us to compromise the integrity of the Canadian travel document?"

No. I am asking that the integrity of Canada and of the Canadian passport be upheld at all costs. As a Canadian citizen, I expect this government to do something about the situation. I expect that only Canadian citizens will have our passport. Not spies, not criminals, not drug lords, not people whose only claim to our passports is that they are rich enough to be able to afford the $20,000 to $50,000 currently being charged on the black market for this document.

In closing, the Secretary of State for External Affairs says that she has asked her department to investigate and make a full report. I ask the parliamentary secretary if the minister will table that report in this House and when?

As well, will she assure this House that her minister will table one accurate report rather than the three or four versions she issued in the Al Mashat report?

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, on September 19, the hon. member for Parkdale—High Park asked the Secretary of State for External Affairs about reports in the newspapers pertaining to the issuance of fraudulent passports.

Internationally, the Canadian passport is reputed to be one of the most secure travel documents. As the Secretary of State for External Affairs pointed out, we are taking very seriously the matter of security as it affects the issuance of passports. The Passport Office works very closely with the RCMP to ensure the integrity of our travel documents.

I may point out that the procedures and technology we use are constantly being evaluated to respond to these challenges. No system, whatever security measures are taken, is entirely safe from fraud and false statements.

Hon. members should realize we must strike a balance between increased security and our ability to provide an efficient service at reasonable cost. It has always been our objective to maintain the right balance.

The Secretary of State for External Affairs has indicated that departmental officials will be drafting recommendations for improving passport security. We believe that such measures could be implemented at relatively low cost, with as little inconvenience as possible to the Canadian public.

Madam Speaker, in concluding, I hope that my colleague, the Secretary of State for External Affairs, will consider the positive recommendations made by the hon. member for Parkdale—High Park.

Madam Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, September 27, 1991

The House met at 10 a.m.

Prayers

[*Translation*]

PRIVILEGE

MEMBERSHIP OF THE SPECIAL JOINT COMMITTEE ON A RENEWED CANADA—SPEAKER'S RULING

Madam Deputy Speaker: Before we proceed to Government Orders, I wish to share with hon. members the Chair's ruling on the question of privilege raised by the hon. member for Mégantic—Compton—Stanstead earlier this week.

Wednesday, September 25, 1991, the hon. member for Mégantic—Compton—Stanstead raised a question of privilege concerning the membership of the Special Joint Committee on a Renewed Canada. He alleged that when the committee started sitting, it did so unlawfully because, first of all, the report of the House Management Committee listing the membership of the Special Joint Committee was filed with the Clerk of the House after the hour of adjournment on Tuesday, September 24, and an order adopted by the House on June 19, 1991, did not prescribe this procedure for a day when the House was sitting.

Second, he objected to the fact that the House Management Committee's report listed 22 names of members, while letting the Whip of the New Democratic Party select two members from a list of four names to fill two of the three seats to which the party was entitled on the Special Joint Committee.

The hon. members for Saint-Léonard, Cape Breton—East Richmond, Calgary North and Saint-Denis, and the Parliamentary Secretary to the President of the Privy Council intervened to clarify certain points for the Chair, and I appreciate their contribution.

Before responding to the specific points raised by the hon. member, I must inform him that the question he raised is not a question of privilege. However, there is certainly some basis for raising a point of order, and the Chair's response will be along those lines.

Regarding the first point raised by the hon. member, I wish to point out that the wording of the special Order, adopted by the House on June 19, 1991, and published in the *Votes and Proceedings* of that day at page 226, does not refer to adjournments of the House but simply to those times when the House is not sitting, which in the Chair's opinion may include extended periods of adjournment such as the summer recess, shorter periods of adjournment such as from one sitting day to the next, or the period comprised by the weekend.

Consequently, the Chair rules that the report filed by the House Management Committee with the Clerk at 7.28 p.m. on Tuesday, March 24, was filed in accordance with the Order of the House of June 19, 1991 and therefore does not present a problem.

• (1010)

I also wish to point out to the hon. member that said report was published in the *Votes and Proceedings* of Thursday, September 26 and was available on the Table of the House on September 25.

Let us consider the second point raised by the hon. member for Mégantic—Compton—Stanstead.

[*English*]

The report of the Standing Committee on House Management lists the initial membership of the special committee and goes on to note how the NDP Whip will fill two of the three places allotted to the party. It is important to note that under the terms of the special order, the Whip of each party is given full control of the membership for that party and the power to substitute at will.

Do the terms of the standing committee report reach back into the special order and put constraints on the NDP Whip by stating that in filling two of the three places allotted to the NDP, their Whip is limited to choosing from the pool of the four NDP members named in the report? The Chair's reading of the committee's report cannot conclude otherwise. And yet, does this not impose a restriction on one of the parties that

was never envisioned in the terms of the order of June 19, 1991?

Under ordinary circumstances the standing committee report would have been presented to the House and could have been scrutinized by the House before a motion for concurrence was entertained. There would have been ample opportunity for the House to seek clarification of questions raised by the unusual form of the report. However, the terms of the order of June 19 last have, in effect, denied the House and the Chair such an opportunity by deeming the report concurred in.

We are now faced with scrutinizing the terms of the report after the fact; indeed, after the special committee has held its organization meeting, elected its officers and begun its hearings. In departing from the strict terms of the order of June 19, 1991, which instructed that a 20-member committee be struck, and in deviating from the traditional form of reports for striking committee memberships, the Standing Committee on House Management has placed the Chair in a quandary. The procedural authorities warn against the consequences of such action. In *Bourinot Parliamentary Procedure* fourth edition, at pages 469 to 470, it states:

> It is a clear principle of parliamentary law that a committee is bound by, and is not at liberty to depart from, the order of reference. This principle is essential to the regular despatch of business; for, if it were admitted that what the House entertained, in one instance, and referred to a committee, was so far controllable by that committee, that it was at liberty to disobey the order of reference, all business would be at an end; and, as often as circumstances would afford a pretence, the proceedings of the House would be involved in confusion.

The interventions of hon. members Wednesday made clear that the report has, indeed, sown widespread confusion about the membership of this special committee. The difficulty lies in the designations member No. 19 and member No. 20, and in the explanatory note narrowing the terms of the order of June 19, 1991. This cannot be allowed to stand.

[*Translation*]

The Order of the House of June 19, at page 226 of the *Votes and Proceedings*, provides in the second paragraph that the House Management Committee will simply "designate" 20 members of this House as members of the Special Joint Committee. There is no reference to additional members or members designated by numbers marked with an asterisk, in connection with a list of substitutes.

In Canadian parliamentary practice, a striking committee has a very narrow mandate.

Unless the House specifically authorizes them to do so, such committees may only report names of members who are to sit on parliamentary committees.

By failing to observe the Order of the House of June 19, the House Management Committee went beyond its mandate. At first, the committee appointed only 18 members; subsequently, it proposed a substitution procedure for two numbered seats set aside for the NDP.

The Chair finds the second part of the House Management Committee's report clearly inadmissible, and in this respect, the objection raised by the hon. member for Mégantic—Compton—Stanstead is well founded.

That being said, should the Chair therefore reject out of hand the report of the House Management Committee, with all the serious consequences this might entail? I think it would not make sense to reject all the work done by the House Management Committee and the Special Joint Committee. The three Whips were acting in good faith in their concerned efforts to respond to a request by the New Democratic Party.

I therefore see no satisfactory reason for starting the selection process over again and thus forcing the Special Joint Committee to interrupt its work. Consequently, the Chair rules that the 18 members designated as members of the Committee were formally appointed by the House pursuant to the report of the House Management Committee and in accordance with the Order made on June 19; the Chair also rules that the remaining part of the House Management Committee's report is null and void. Finally, the Chair asks the Striking Committee to file a supplementary report, in addition to the report filed on September 24, designating two more members of the New Democratic Party, and when this report is tabled in the House or filed with the Clerk, pursuant to Order of June 19, said supplementary report shall also be deemed to have been adopted pursuant to Order of June 19, 1991.

In concluding, the House will understand that this ruling is an unusual one on the part of the Chair, but it is not unprecedented. On February 14, 1944, and April 23, 1975, the Chair intervened in matters concerning committee reports. Those instances were not entirely identical to the question before us today, but the intent of today's ruling reflects the intent of the rulings made by my predecessors, who in similar circumstances also refused to categorically bring the business of the House to a halt.

I wish to thank hon. members for their patience.

GOVERNMENT ORDERS

[*Translation*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed, from Wednesday, September 25, consideration of the motion of Mr. Mazankowski that Bill C-32, an Act to amend the Canada Assistance Plan, be read the second time and referred to Legislative Committee F; and the motion of Mr. Vincent (p. 2536).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Point of order, Madam Speaker.

Madam Deputy Speaker: The hon. member for Ottawa—Vanier on a point of order.

Mr. Gauthier: Madam Speaker, I ask the House to be patient, but in the debate on Bill C-32 of Monday, September 23, 1991, I am misquoted in *Hansard* and I would simply like to make a correction, because what is there makes no sense. Madam Speaker, I said in French that one-parent families in my riding are headed by women 85 per cent of the time. In English, "mère" was mistranslated as "mere children". I also think that there is a mistake in the following sentence:

[*English*]

There are single parent families in Ottawa—Vanier, in my riding. Twenty per cent of all families are single parent families and 85 per cent of these are headed by mere children. It should be saying "with mothers without children."

Some hon. members: Oh, oh.

Mr. Gauthier): I am sorry, that should be "mothers with children."

[*Translation*]

Madam Deputy Speaker: I thank the hon. member for bringing to the attention of the Chair and hon. members this mistranslation or typographical error and I think that he can be assured that we will have the correction made before the final version is printed.

Resuming debate. The hon. member for Chambly.

• (1020)

[*English*]

Mr. Phillip Edmonston (Chambly): Madam Speaker, in resuming debate on Bill C-32, I think it is important that we go back to a general explanation of why this bill is as important as it is.

CAP, which is the Canada Assistance Plan, was first established by the Liberals in 1966. Very seldom do we ever give credit to other parties because of partisan debate in this House, but we in the NDP do realize that in 1966 this was a fine idea.

CAP gave constitutional responsibility for programs of income redistribution, including social assistance programs paying money to Canadians anywhere in Canada. It was a shared program and it was working—

Madam Deputy Speaker: I realize there is a very important conversation going on, but the two Whips should know better than to stand between the Speaker and whomever has the floor, please.

Mr. Dingwall: Madam Speaker, I rise on a point of order. I am glad Your Honour brought that to our attention. I was going to do the same and bring to the attention of the House the two Whips meeting and talking on the floor of the House.

I think it is rather repugnant, Madam Speaker.

Madam Deputy Speaker: This is a Friday morning. I appreciate the hon. member's sense of humour.

I do apologize for having interrupted the hon. member. The member for Chambly has the floor.

Mr. Edmonston: Thank you, Madam Speaker. Your concern was also my concern. I also appreciate the gentle humour that we seem to be engaged in. We are getting on the right foot for a Friday morning, and I think that is a good sign.

As I was saying, the Canada Assistance Program is very important. It was started by the Liberals in 1966. Even the Nielsen report, which was commissioned by the Conservative government as to finding ways that we could streamline government, make it less expensive and more efficient, said that CAP or the Canada Assistance Program was a very good program. It lauded the way that the program had made for more harmonious relations between provinces and Ottawa, although it did concern itself with the cost, particularly the open-ended portion of the Canada Assistance Program.

Because the Nielsen report concerned itself with the cost and the open-endedness, this fifty-fifty cost sharing program, the government many years later, about actually a year ago, gave clear signs that it intended to cap CAP. Once again I say that the program gives constitutional responsibility for income redistribution including social assistance programs to Canadians anywhere in Canada. In every province one would have an equal chance of obtaining an equal amount of money.

This concerned a great deal the Conservative side of this House mainly because of the expense. Of course it is a fifty-fifty cost sharing deal. Whenever the provinces had increased costs, they can rely upon the federal government to pay 50 per cent of those increased costs. That was the seed of discord or discontent on the government side because the federal government was seeing the provinces increasing their costs and it did not have much of a say except to pay the increased costs itself.

So a bill came down. It was Bill C-69 and it imposed a two-year freeze on the CAP for British Columbia, Alberta and Ontario. It is interesting that Bill C-69 considered British Columbia, Alberta and Ontario as rich provinces. If we take a look at Ontario right now with the unemployment, the deficit, the recession, and the problems that free trade caused in Ontario and for a lot of other people, we see that Ontario is far from being a rich province.

An hon. member: British Columbia too.

Mr. Edmonston: British Columbia, my hon. member tells me as well. What we have here is a definition of provinces as being rich when they are not. With Bill C-69 and imposing a two-year freeze I believe we have the government trying, to the best of its ability perhaps, to cut expenses and at the same time doing it on the backs of people who are least able to afford these cuts.

Bill C-69 was challenged. It went to the Supreme Court of Canada, after winning in the lower courts, the courts of first instance. The provinces challenged the bill saying: "The government made an agreement with us that it was going to pay for these programs". When a government makes a political agreement, and with this government where political agreements we thought were sacred, we find that that is not the case. If you shake hands—

An hon. member: A sacred trust.

Mr. Edmonston: "A sacred trust", the member from the government side says. We have heard that before.

The Supreme Court decision essentially said no, that Parliament is supreme, that Parliament can shake hands with you at one moment and then stab you in the back at the next, and that when Parliament is in session, if you accept the supremacy of Parliament, no one's purse or life is safe.

We saw that very clearly with Bill C-69. Now we are looking at, as a result of the Supreme Court making it very clear that Parliament has this power, the government coming back again with Bill C-32, which extends the freeze for three more years.

Our party is very much concerned about this. We have to look behind the freeze and see who does this affect mostly. We have to look at the people who are mostly concerned with the Canadian Assistance Program. I will just give a very quick rundown of who these people are: abused and neglected children in need of protection obviously, mentally and physically disabled persons, one parent families, seniors, the unemployed and the working poor, battered women, families and individuals in crisis.

Because of the capping of CAP there has been a movement on the part of a number of provinces. I can tell you in particular about the movement in Ontario and by our party here in Ottawa. We wanted to put into the Constitution a social contract, provisions whereby the people I have just named would be protected. There would not be a constitutional right for the government to make an agreement and then go back on its word.

People ask: "How will this social contract immediately affect myself or Canadians?" It would not allow the government to do what it did under Bill C-69 and what it is trying to continue to do under Bill C-32. It is extremely important when we talk about a social contract that our fellow Canadians understand that what we are trying to do partially is to repair the abuse—and I would say the abuse of process, even, although it was legitimate according to the Supreme Court decision—that we saw the government do in its initial legislation, Bill C-69, and is continuing to do in this legislation, Bill C-32.

Therefore it is obvious that our party is against this piece of legislation. We were against the practice. We did not think it was fair in these constitutional times, I can tell you.

[*Translation*]

—Madam Speaker, that we Quebecers are looking more and more for reasons to remain in Canada. We are looking more and more for reasons to trust the federal government. We see legislation like Bill C-69 and Bill C-32 as a provocation. It is an example of a government that wants to withdraw from its responsibilities. I can tell you, Madam Speaker, that in Quebec, we are having a big debate on the relevance of the federal government and also the overlapping of jurisdiction. The basic problem is: Can we Quebecers trust this government?

An hon. member: Phil, have you become a separatist?

Mr. Edmonston: Someone is asking me whether I have become a separatist. No, I am a Quebecer. I am a Quebecer like others here. I am trying above all to give both sides of the story. I am saying what many Quebecers are saying.

• (1030)

The problem here is not just Quebec. As my friend from Alberta just said, Quebec is asking the same questions as Alberta, British Columbia and Ontario have asked. Now that we are trying to bind this country together, actions of this government are breaking us apart and causing rifts everywhere. That is the basic problem.

You know, a Liberal senator said that perception is reality. Well, Quebecers' perception of our actions here in Ottawa is that federalism as it is now is not working. In conclusion, Madam Speaker, I would say that it is mainly due to the acts of this government, which has removed national institutions one after another.

So, Madam Speaker, of course our party is against this bill and as a Quebecer, of course I support my party.

[*English*]

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

Madam Deputy Speaker: Pursuant to Standing Order 45(6), the recorded division on the motion stands deferred until six o'clock p.m., Monday, September 30, 1991.

* * *

THE RAILWAY ACT

MEASURE TO AMEND

The House resumed from Monday, June 17, consideration of the motion of Mr. Corbeil that Bill C-11, an act to amend the Railway Act (grain and flour subsidies), be read a third time and passed.

Ms. Mary Clancy (Halifax): Madam Speaker, I do not know the number of times I have risen to speak about the port of Halifax, either in direct relationship to the At and East subsidy or on other matters relating to the crisis situation affecting the port of Halifax today.

The At and East subsidy maintained fixed rail costs for moving grain and flour to eastern Canadian ports, notably the port of Halifax and the port of Saint John, New Brunswick. It was designed to make these eastern Canadian ports competitive with ports on the eastern seaboard of the United States and other Canadian ports. It was a simple theory and one that worked.

In July 1989 the At and East subsidy ended without, I might add, the benefit of legislation. On July 15, 1989 the subsidy was cut and the fallout began in the port of Halifax and in the port of Saint John. We have waited for the government either to see the error of its ways or at least bring the bill through the House. Finally, here we are two years and two months later, two years and two months without this subsidy, and now we have finally reached third reading of this bill. It is not something that will go unnoticed by the people of Halifax and the people of Saint John.

What has been the effect on these two ports of the cancellation of this subsidy? We all know what the effect was on Saint John, New Brunswick. The grain elevator there is closed. The jobs are gone. The port has taken a crippling blow. Elsie Wayne, the well known and articulate mayor of Saint John, has made her plea and it has landed on deaf ears in this government. Saint John has taken a serious, serious wound.

In Halifax the grain elevator is down to one-quarter of its normal capacity. The same can be said for the flour mill in the port of Halifax. The number of jobs lost is a serious blow to the economy of Halifax and the life of the port, which is the lifeblood of the city and to some degree of the province and the region.

In 1988, the last full year of the At and East subsidy, 337,914 tonnes of grains and 182,957 tonnes of flour came into the port of Halifax under the At and East subsidy. According to Captain Claude Bell of the Halifax Port Corporation roughly one stevedore is employed for every 1,000 tonnes of grain and flour exported.

It means that in that area alone we are looking at a loss of approximately 500 jobs in a city with a population of approximately 100,000. This loss is not inconsiderable. This loss is something that can and will create major hardship in a city that for years has prided itself on its self-sufficiency, particularly because of its port.

The At and East subsidy has been in effect since the early 1960s. As I said before, this was to allow the eastern ports of Saint John and Halifax to compete adequately with the superports on the east coast of the United States, New York and Baltimore in particular.

Since the cancellation of At and East—to add insult to injury, to pour salt in the wounds of Haligonians and Dartmouthians and Nova Scotians and New Brunswickers—among other things Canadian Pacific Rail has, with the able financial assistance of this government, purchased the D&H railroad. The D&H railroad out of the eastern U.S. ports is a direct and serious competitor with CN rail on the Halifax to Montreal run. Are there subsidies any more for CN rail? No. At and East is dead. Even without legislation it has been dead for two years, two months and two weeks.

At and East is dead but D&H is thriving. D&H is going along just fine, thank you very much, with the able assistance of the Government of Canada. There are jobs in Maryland and New York State. Those ports are getting along just fine. There are jobs on the D&H railroad.

What is happening in Halifax, what is happening in Nova Scotia? Five hundred jobs lost at the port, more jobs lost from the rail and so on and so on; a litany of disaster that is epic in its proportions. But that is all right. Let the free market forces bear. Things are good in Baltimore and New York. Halifax will just have to learn to get along without the assistance of the national government.

At and East has some other ramifications for the people of Nova Scotia as well. I am going to leave the full description of these problems for my colleagues who know more about the agricultural industry than I do.

I want to talk about one thing. In Nova Scotia this year we had a wonderful summer of weather as far as tourism was concerned. We had hot sunny days and beautiful blue skies. However, in the month of July we had one-quarter our normal rainfall. Consequently, for farmers in the province of Nova Scotia the hay crop is less than half its normal annual output. That is going to make things very tough for livestock farmers in the province of Nova Scotia.

What was the other benefit from At and East to the people of Nova Scotia, New Brunswick and Prince Edward Island? It was a fairly good and reasonably priced source of feed grain. That is gone. The hay crop is less than half its normal output. The livestock producers in the province of Nova Scotia, and in the maritimes generally, are going to suffer as a result of that. I know that my colleagues who know a great deal more about agriculture would agree with me that this is going to be a very, very difficult time for livestock producers in Nova Scotia.

• (1040)

The province of Nova Scotia is a small province. When one sector is hit the spin-off, the bouncing ball effect, the ripple effect hits everyone in the province. That is why Haligonians are as concerned about the Sydney steel plant as residents of industrial Cape Breton. That is why the people of South West Nova are as concerned about the port of Halifax as Haligonians. That is why all Nova Scotians know that the problems of the farmers throughout our rural areas are problems for all of us.

We are small. The population of the province is at most 800,000. In the metropolitan area represented by the member for Dartmouth and myself—and I believe there is another member, but I cannot remember who it is at the moment—250,000 of those people live. However, they are concerned about the whole province and the economic future and stability of that province.

At and East has been effectively dead for two years, two months and two weeks. Today, the government finally puts the bill through for the last time. The people of Nova Scotia and the people of Halifax-Dartmouth will remember. They will remember well who caused their once mighty port to suffer and decline. Nova Scotians have long memories.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, as you mentioned earlier, it is a Friday morning. The Chamber usually has some of its better speeches on Fridays because the members know we have to ensure that the government has learned its lesson for the weekend until we return on Monday. I hope that in the few moments I have, I will instil a little discipline on the other side.

I have spoken to this bill that is before us a number of times, as have other members on this side of the House. It is a regressive piece of legislation that the government bungled when it first tried introduce it.

The member for Halifax indicated that the At and East subsidy, which was an absolutely essential part of our grain transportation system and infrastructure in Canada, has been dead for awhile. It has been over two years now.

The government introduced a bill, and before the bill ever passed it decided that it was going to do away with the subsidy.

I spoke, and I think this is the third time, in debate on this so I am not going to speak specifically about the impact on the agricultural sector in Atlantic Canada, particularly Nova Scotia and New Brunswick, of the removal of the subsidy. Suffice it to say that this is one of those examples of the government selectively deciding to punish Atlantic Canada for being the eastern part of the country or maybe because it saw good sense in the last election and elected mostly Liberals.

Unfortunately, the people of Atlantic Canada, who knew better than to try and re-elect this government because they knew what in the name of goodness was going to happen to the country, elected Liberals. We will have to wait a little longer to rectify the damage that has been done by this government's policies, particularly in Atlantic Canada.

I want to talk a little bit about what has happened to the port of Halifax. The At and East program, a subsidy for the movement of feed grains to east coast ports, is gone. I have said in previous speeches that I am certainly not one of those people who gets up and says: "Well then you should do away with any freight rate assistance in western Canada or you should go up the St. Lawrence Seaway and do away with any infrastructural subsidy that takes place". There is free ice-breaking, free aids for navigation and things like that on the St. Lawrence Seaway.

Surely to goodness there is something called fairness. If the government is going to treat us one way, then everybody else should receive the same treatment. If it is going to treat the west one way it should treat the east the same way. This government does the old divide and conquer. At the port of Halifax, the loss of the At and East program was just one in a number of crippling body blows inflicted by this government.

My hon. colleague from Halifax spoke very succinctly about the problems in the port of Halifax that had been caused by the loss of the At and East subsidy. She talked about the 500 jobs that have disappeared in an area of only 100,000 people.

But more than that is happening in the port of Halifax. Just to give you an idea about what the At and East started, I want to let you know what has happened in Halifax in the last 12 months. The port of Halifax is one of the most efficient ports in North America. It is not one of these places where one says: "Well, there is a lot of fat to cut, so you should cut the fat and you will be more competitive," It is extremely competitive and that is recognized in the shipping industry around the world.

There is a problem because the government's transportation policies have caused the port of Halifax not just to lose $20 million or $30 million, but if one adds the At and East subsidy loss to the loss of traffic in the last 12 months, we are looking at nearly $60 million worth of traffic. We are looking at 500 jobs lost with the reduction or the elimination of At and East, and we are looking at at least another 400 jobs that have been lost in the last number of months.

This government has been asked repeatedly in the House of Commons to address the problems facing the port of Halifax, to stop its assault and battery on the port of Halifax and its business, and it has consistently refused to do so.

Another little body blow was delivered just in the last little while. The government has decided to change some of the regulations dealing with meat inspection on frozen meat that enters Canada. Why in the name of goodness would it do that? Was it because it did not think it was efficient? No. It was because Canadian Pacific rail lobbied the government effectively to change the regulations.

The regulations usually work like this. When frozen meat products come into Canada, through a port usually, it is inspected at the port. However, now that Canadian Pacific has acquired the D&H line through the United States and is actively undercutting ports like the port of Halifax, what has it done? It has said: "Look, federal government, we have to get more traffic moving towards central Canadian markets through our ports in the United States because we've got a rail line there. If you just change your regulation that any frozen meat product that is coming into Canada via a U.S. port will not be stopped at the border and will only be inspected when it reaches the warehouse, we'll be able to steal some business from ports like Halifax".

Approximately 50,000 tonnes of frozen meat product was imported through the port of Halifax last year alone from Australia and New Zealand. What does the government care? Does the government care that a change in one regulation might lose that traffic to the port of Halifax and might put it through the ports in Philadelphia or New York? It does not care at all. It did not even consult with the industry, it changed the regulation.

The At and East was the beginning of a large crack that this government instituted in the competitiveness of the port of Halifax. I do not think it is about to end. I asked in this House for the Minister of Transport to order the National Transportation Agency, the NTA, to hold an inquiry because we have heard from people in the industry that things like the loss of the At and East, things like a less than competitive schedule by Canadian National, things like perhaps a too high fee per tonne shipped by Canadian National between the port of Halifax and the inland ports in Montreal, or even perhaps the fact that the St. Lawrence Seaway is subsidized.

They tell us in Halifax when we deal with trains shipping things from the port of Halifax to Montreal or Toronto that it has to be full cost recovery. After all, that is why we lost At and East. That is why it cannot look at freight rates or try to lower the rates that CN charges because there has to be cost recovery.

Madam Speaker, do you know what? We lost business and 400 jobs in the port of Halifax when Hapag–Lloyd left and took $24 million in traffic with them. Do you know where it went? Fifty per cent of it went to New York, 50 per cent went up the St. Lawrence Seaway to Montreal.

All we are asking for in the east is not that other places get pummelled and kicked and battered like Atlantic Canada, but we demand fair treatment for the Atlantic coast transportation infrastructure and most importantly for the ports on the Atlantic coast.

This is not the last time, Madam Speaker, that you are going to hear myself and other members from the Atlantic speaking. Because, if we lose our transportation infrastructure, if our ports lose their competitiveness because of negligence or because of design by this government, through things like the loss of the At and East, we will not be able to compete. We are in a period of constitutional renewal again and we are talking about trying to ensure equality in this country. Yet every single time that the government decides to come in and save a dollar here or a dollar there, it seems to hit the Atlantic harder than anywhere else.

• (1050)

There was a document released yesterday by this government. It talked a great deal about the need for an economic union. I fully support that. I think nearly every Canadian would support the idea of unrestricted movement of goods, traffic and people in this country. But, my goodness, how can one legitimately have an economic union in this country when the government, by every action it has taken in the transportation sector in Atlantic Canada, has removed or lessened our ability to trade and compete internally?

If the port of Halifax is weakened, if we lose a container terminal, if we lose a flour mill, if we lose a grain elevator, it means we cannot compete. If it allows Canadian National to keep its rates high so nobody will bother shipping through our ports but will go down and ship through the United States, very soon after CN will say: "You know, our traffic has decreased because of our rates and our service, therefore we are going to apply for rail line abandonment". We have heard this story before. We have been at this movie. We did not like it then and we certainly do not like it now.

In conclusion, this bill has been before this place so often I might have spoken on it 10 times. If I could get away with it, I would speak on it 20 times because this is a bill that shows callousness and the absolute lack of good judgment. This is the type of bill that goes a long way to destroying unity in this country, because the country is not going to stay together if people do not believe it is in their economic interest. When you see a government single out any region of this country for particularly brutal treatment by the way it legislates, if you think that does one thing for national unity then I should have a chat with you because I certainly do not think it does.

This bill is one that is probably going to pass sooner as opposed to later, because it has been on the government agenda for a long time. The people of Atlantic Canada, the agricultural industry in Atlantic Canada, the businesses in Atlantic Canada, the flour mills and the people who have lost their jobs have already been stung by this bill before it has ever been passed by the highest court in the land, the Parliament of Canada. In conclusion, I make my final appeal for the government to come to its senses, to withdraw this bill, to reinstate the At and East program, and to do so immediately.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I am pleased to be able to rise today and participate in the debate on the At and East freight rates. As eloquent as the statements by the members from the Atlantic provinces may have been, this is not merely an Atlantic problem. I would like to explain why that is so.

In previous stages of this debate, a debate which has been going on for a long time, western members of the New Democratic Party have stood solidly with people from Atlantic Canada to fight this particular manoeuvre, and I think people are aware of that.

The reason we have fought this is because the principles at stake here are very important, and there are several of them. First of all, what we are looking at here is another case of the government dismantling the infrastructure that holds this country together, particularly the transportation infrastructure. This country was originally built on a transportation infrastructure. The national dream of John A. Macdonald and his successors was clearly based on tying this country together economically with a transportation infrastructure.

Our agricultural economy was based on that. It was early recognized that our major grain producing regions in this country, in other words the prairie basin, were far removed from any kind of tidewater, far removed from ports where grain could move into export markets. This is in contrast to all our major grain competitors in the world. In Australia virtually all the grain is grown within 200 miles of the coast. The same is true in Argentina. United States has major waterways. The Mississippi river system which empties its heartlands provides for cheap water based transportation out of its heartlands.

Western Canada and the prairies were the only grain producing regions in the world, virtually, that did not have a big enough internal market to absorb its production, and that was far from tidewater.

The infrastructure that was put in place was a very important part of the fabric of this country. It was particularly an integral part of the agricultural industry as it developed in this country.

What have we seen? We have seen this whole infrastructure come under increasing attack by a change in philosophy that says that infrastructure is not important, that it is not the government's job to ensure that the larger picture is looked after, that it is merely the government's job to make sure that whatever entrepreneurial organization or corporation, be it a railway, grain company or whatever, can make an extra dime on $1 million here or there.

This government and the government before it had abandoned the idea that it is the job of the federal government in this country to hold the infrastructure together. The erosion obviously started with the whole attack on the Crow rate, which I remember so well as being launched by the former Minister of Transportation, Jean-Luc Pepin.

Although we still have a western transportation act that includes some elements of that old Crow rate structure, certainly the major part is gone. Year after year it is being eroded and made less and less effective.

Another critical element of that whole debate is this At and East question. What At and East did was two things. First, it allowed western grain to get to the maritimes at a competitive rate so that the maritime agricultural industry had access to that grain. Second, it allowed for an alternate set of ports to be used in times when they were needed. Particularly that was important because these are ports that are open 12 months a year and not frozen in, in the winter, as the Great Lakes ports are.

We do have ports on the west coast that are open all year round, but we do not have any way to get to the Atlantic Ocean 12 months a year without going to the maritime ports. At and East gave us the capacity to do that.

What have we seen? We saw what I think is one of the most shameful legislative processes that I have seen take place since I became elected in 1988. Surely it is incumbent on the government to treat its own legislation and its own legislative processes with some respect, but it did not do that in this case.

It must have felt that somehow or other the maritime voice would not be heard here, that there were so few farmers in maritime Canada that their voice would not be heard or that the 500 workers who are about to be laid off or who have lost their jobs did not matter. I do not know what the thinking of the government was. I have trouble reading its mind.

What I do know was that on July 19, 1989 the government unilaterally, and probably illegally, cut off the At and East payments. It made them inoperative and it has been operating on that basis ever since.

Here we are over two years later still without legislative authority to consummate what the government had done by fiat. That is a totally unacceptable way of going about things from a legislative point of view, especially on a question that is as important to the national infrastructure as this one.

I would urge government members to reconsider what they have done here, not only in terms of At and East but to make sure first of all that the whole process does not happen again.

I think that if this government has any moral guts and moral convictions it should compensate the people for the losses that they have incurred over the last two years while the At and East rates have been illegally gone.

A further backdrop to this whole situation is the crisis that is facing agriculture in general in this country. Surely this is the wrong time to start pulling apart our agriculture infrastructure piece by piece by piece. We are seeing it happen with rail line abandonment in western Canada. We have seen off-loading of federal cost shared programs like crop insurance on to the provinces which can ill afford them. This is creating a patchwork of programs across the country.

That is the opposite direction from which we would like to be going. A very real cash flow crisis is endangering probably one-third to one-half of Canadian farm families and maritime farm families are no exception.

It is making it impossible for livestock producers and for people that depend on the flour milling industry in the maritimes even to plan in the short run, let alone the long run.

It is one more hammer blow to the economic well-being of farmers, not only in maritime Canada, but right across the country. If those maritime markets are lost as a result of the At and East going, it means that western Canadian farmers have one less opportunity to sell their grain within their own market.

I recognize the time is getting short, Madam Speaker. What we need is an agriculture industry that can serve our farming community from coast to coast to coast, that can ensure that we have an infrastructure which can ensure security of food for Canadian families right across this country, and not chip away our security of food supply the way this government is doing.

Madam Deputy Speaker: It being 11 o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTRADITION

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Madam Speaker, I want to commend the Supreme Court of Canada for its decision yesterday to send Charles Ng and Joseph Kindler back to the United States where they face the possibility of being executed.

Charles Ng allegedly took part in the brutal torture and murder of at least 12 victims in California. Members of the Victims of Violence, both in the U.S.A. and in Canada, will be pleased and relieved with yesterday's decision.

Charles Ng made a mockery of our extradition laws by exploiting the appeal options and costing Canadian taxpayers over $6 million since 1985. I have brought up the Charles Ng case in the House of Commons on several occasions, pressing the government to have Mr. Ng sent back to the United States, and to toughen our extradition laws.

I urge the Minister of Justice to have Bill C-31, an act to amend the Extradition Act, passed quickly so that we will send a clear and strong message to U.S. criminals that Canada is no longer a safe haven for murderers—

Madam Deputy Speaker: I am sorry but the hon. member's time has expired.

* * *

JUSTICE

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, the events in the wonderland of Tory trials and tribulations become curiouser and curiouser. Yesterday an unusual gag order was placed on all testimony at the tax appeal of former Tory MP, Michel Gravel. Not only will the testimony that will be heard in future hearings be kept secret until the end of the case, but even the evidence that was widely reported last week will now be hidden away.

This is not the first time Canadians have been prevented from finding out just what is said under oath about the constant stream of Tories facing accusations of fraud, breach of trust and influence peddling. We will not find out what was said during 17 days of hearings into allegations of corruption by more than a dozen prominent Tories until the end of all the court actions involving former Tory minister Roch LaSalle.

Likewise, the role played by Senator Michael Cogger, another mystery—

Madam Deputy Speaker: The hon. member knows he should not make attacks on people.

* * *

[*Translation*]

PUBLIC TRANSIT

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, the federal government's unilateral disengagement from public transit services affects thousands of its employees and is completely inconsistent with its responsibilities as a major employer and a corporate citizen for the environment, the congestion of roads and bridges, and even energy efficiency. Furthermore, this refusal of the federal government to honour its previous commitments is unacceptable and totally unjustified and unjustifiable.

Madam Speaker, I support Gatineau city council, which urges the federal government to reconsider its position and to honour the commitment which it made on its own initiative under the previously mentioned tripartite agreement through the NCC.

* * *

[*English*]

ABORIGINAL RIGHTS

Hon. Alan Redway (Don Valley East): Madam Speaker, Canada's official recognition of Estonia, Latvia and Lithuania has understandably excited and delighted the proponents of Quebec's independence. So did the Prime Minister's statement that Canada will also recognize the results of a referendum on Ukrainian independence.

But will the Quebec sovereignists recognize the right of self-determination of the Crees and Inuit in northern Quebec? No, no, says Mr. Parizeau, that is Quebec. Surely, the right of self-determination is a right for all.

* * *

HAMILTON AIRPORT

Mr. Stan Keyes (Hamilton West): Madam Speaker, did you know that for the Minister responsible for Constitutional Affairs, Hamilton airport saved the day. Travelling to Toronto to deliver a speech, the minister's plane was unable to land at Pearson International and instead had to rely on Hamilton airport to make the landing. Again the lesson is clear; more air traffic must be redirected to Hamilton.

The junior transport minister, the member for Lincoln and the Minister of Transport disagree with common sense. The Minister of Transport would like to waste $800 million in taxpayers' money, not on improving Hamilton airport as an incentive for more business, but for a face lift on two terminals at Pearson. He should listen to his Conservative colleague from Bramalea—Gore—Malton, whose riding includes Pearson International, and whose ideas do make good sense. His suggestions? "The government should start making plans for another airport. I have toured Hamilton airport and I liked what I saw, a good alternative to relieve some of the pressure at Pearson".

* * *

NATIONAL FAMILY WEEK

Mr. Walter Van De Walle (St. Albert): Madam Speaker, this year marks the seventh National Family Week. In 1991, it focuses on families and the home environment. Families are the cornerstone of our society, the fabric of our great nation. Our children are our most valuable asset. The development, welfare and education of the young are critical to the success of Canada in this changing, highly competitive world.

I believe that National Family Week is a time to commit ourselves again to our families by building stronger relationships with our wives, husbands, children and other families members for whom we care.

* * *

AGRICULTURE

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, rather than getting the $1 billion they so desperately need, Canada's farm families are once again being put through the political wringer by the PCs.

This Monday we saw the bizarre spectacle of this government voting down a motion to provide an emergency payment which its own members on the agriculture committee had recommended. This followed positive signals by the Minister of State for Grains and Oilseeds and a promise of a third line of defence when GRIP and NISA were introduced.

Now we hear from PC committee rooms in Saskatchewan that they are expecting an announcement of a stabilization payout during the third week of Grant Devine's campaign.

It is time to quite playing politics with farm families. If this government has an announcement to make on grain stabilization, it should make it now and not when it suits Grant Devine.

The Prime Minister might also reread my letter of August 7, inviting him to come to Prince Albert for an agriculture summit. By going back to John Diefenbaker's hometown and listening to farmers, he might start to regain the credibility he has lost in rural Canada.

[*Translation*]

LOWER ST. LAWRENCE REGION

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Madam Speaker, in the last year and a half, 6,000 jobs were created in the Lower St. Lawrence region.

According to the August 1991 labour market bulletin published by Employment and Immigration Canada, the Lower St. Lawrence region had 91,700 people at work in August 1991, the highest level ever recorded for that period. This outstanding performance officially and unequivocally contradicts those who talk about job losses in the region.

The bulletin indicates a gain of 3,700 jobs in the Lower St. Lawrence between May and July 1991. The economist responsible for the bulletin wrote that the Lower St. Lawrence region continued to turn in an amazing labour market performance in August 1991. We can see that employment has grown steadily in the Lower St. Lawrence region for 17 months now. These statistics are very revealing and show once again that, thanks to the dynamism of its businesses and our government's initiatives, the Lower St. Lawrence is one of only four of Quebec's thirteen regions that—

• (1110)

Madam Deputy Speaker: I am sorry to interrupt the hon. member, but his time has expired.

The hon. member for Broadview—Greenwood.

* * *

[*English*]

TORONTO PHILHARMONIC ORCHESTRA

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I have good news today for the people of Broadview—Greenwood. I would like to announce that the world class Toronto Philharmonic Orchestra will be playing the 1992 season on the Danforth. It will be playing at the Music Hall and music conductor Paul Robinson will be featuring guest artists from all over the world.

The first concert will take place on Sunday, October 27, featuring Rachmaninov's Piano Concerto No. 2, with guest virtuoso, Latvian artist Arthur Ozolins.

We want to let everyone in this House know that culture is alive and well in Broadview—Greenwood in downtown Toronto.

We welcome all people, not only from Toronto, but from all over Canada. Join us for a concert with the Toronto Philharmonic Orchestra and while in Toronto, enjoy one of the 300 restaurants.

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WESTERN ECONOMIC DIVERSIFICATION

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, Western Economic Diversification was announced in 1987. Its beginnings were slow for Manitoba, but today the evidence of western diversification's tremendous success of job creating and attracting new investment is spectacular. Businesses in Portage La Prairie in my constituency have received in the last two years close $18 million in interest free loans and $12 million in a southern development initiative.

Just listen at this; WMC Enterprises, Go For Cart, South Port Aerospace, Western Combine, Southern Development Initiative. Can Oat is presently being opened by the minister as I speak.

It pays to elect a good, hard working Conservative member of Parliament. It gets things done.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Douglas Young (Acadie—Bathurst): Madam Speaker, the Acadian community of the Atlantic provinces is concerned about the future of Radio-Canada as an instrument for promoting the French culture in Canada. For nearly a year, the coalition for French-language television in Acadia has opposed the transfer of federal powers over culture and communications to the provinces and has particularly demanded an increased presence for the French CBC in the region.

At a time when we deplore Canadians' misunderstanding and ignorance of one another, it is inconceivable to turn culture and communications over to the provinces. Such a transfer of jurisdiction would further isolate the official-language communities. We cannot allow ourselves to shake an already vulnerable Acadian culture any more. The coalition deserves the support of all parliamentarians who believe in the importance of culture and communications for maintaining and develop-

ing a national identity based on the diversity and richness of its communities, including the Acadian community of the Atlantic provinces.

[*English*]

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NATIONAL FAMILY WEEK

Mrs. Edna Anderson (Simcoe Centre): Madam Speaker, October 7 to the 13 marks the seventh National Family Week to be celebrated across the country. The theme of the week, "You've Got What it Takes", promotes the need for individual family members to work at improving their family environments.

Traditionally the family has been a source of strength and comfort to its members. We know that whether we win or lose, our families will continue to love and to support us.

Unfortunately not all people belong to such strong and loving family units, so it is important that as we celebrate our own good fortune we do not forget about the women and children who suffer abuse within their families.

Family week is a good time to consider how we can all work together; individuals, communities and governments to reach out and help those who find themselves the victims of family violence. Improvements in family life are starting points for improvements in the over-all quality of life within our society.

* * *

PETRO-CANADA

Mr. Ross Harvey (Edmonton East): Madam Speaker, on February 21, 1990, the Minister of State for Privatization said that the future of Canada's energy industry "depends on the development of our vast reserves. To be a partner in these initiatives, Petro-Canada needs equity capital.".

After privatization, Petro-Canada has nearly completed the sale of its holdings in Syncrude's oil sands development project. Strike one.

Speaking in committee on November 6, 1990, the minister said that privatization is "the best way for Canada to grow, to create employment". But now Petro-Canada is selling off its one-third share of the new MTBE gasoline additive plant in Edmonton. Strike two.

At that same committee meeting, the minister said that money from the privatization sale "will help out the company immensely especially with its involvement in Hibernia and Terra Nova". However, Petro-Canada is now trying to sell a chunk of its holdings in those offshore projects.

That is three strikes. They're out.

* * *

POTATO INDUSTRY

Mr. Joe McGuire (Egmont): Madam Speaker, how would you or any member of this House like it if you had not been paid for the past year?

This is happening to potato farmers in Prince Edward Island who have not been compensated for the 1990 crop under the Plant Protections Act because of the PVY-N virus.

After strenuous negotiations between the province of Prince Edward Island, its farmers, and the federal government, a compensation package was hammered out in the spring of 1991. To this date only one-quarter of the compensation cheques have been received by farmers. Why, Madam Speaker? Is it deliberate?

To make matters worse the application forms for the 1991 crop are not available yet. This is totally unconscionable. There is one thing that potato producers or any farmers hate to do and that is plough down their crops. To plough down a crop unnecessarily, as many had to do this year it seems, and to find that the promised compensation is nowhere in sight, and not even in the application forms, is truly heartbreaking.

P.E.I. farm families are living on bank loans which are costing additional money. Why is this happening, Madam Speaker? This government has to answer this question and get the cheques—

Madam Deputy Speaker: The time allowed has now expired.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Denis Pronovost (Saint-Maurice): Madam Speaker, the hon. member for Acadie—Bathurst is scaring Acadians with his erroneous claims that the federal government intends to hand over Radio-Canada to the provinces. I think he is making a big mistake here. Unfortunately, the hon. member for Acadie—Bathurst is following in the footsteps of Bloc Quebecois members with their habit of using scare tactics.

I want to give Quebecers and French Canadians outside Quebec the assurance that the federal government intends to maintain its jurisdiction over Radio-Canada.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I don't know where I should direct my question, because the front benches are pretty empty—

An hon. member: There is no minister.

An hon. member: There is no one!

Mr. Chrétien: Madam Speaker, I would like to ask whomever answers on behalf of the government whether it is true, as I read on page 19 of the government's constitutional proposals, that agricultural supply marketing boards, a system that is used across Canada, would be an impediment to the mobility of goods in Canada. Is it true that the government intends to terminate a system that is used not in just one province but in every province in this country, a system that has provided farmers with a measure of production and income stability? Does the government really intend to put an end to price stabilization boards?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, allow me to reassure the Leader of the Opposition. We raised a very important issue. These boards have played a very important stabilizing role in the economy of this country. I can inform the hon. member that our reform proposals provide that these boards will be protected, thanks to policies in the national interest.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): I am very pleased, Madam Speaker, but they should not put it in the paper if they do not want to take marketing boards out.

I would like to ask a supplementary question of the same minister. At this moment the price of a bushel of wheat in Canada is the lowest in real terms since 1931. The government is talking about a program that was in effect last year and is talking about a program that will take effect next year. In the meantime, thousands of farmers are being driven from their farms.

I want to know from this government if it has the intention of doing something, not last year, not next year, but this year to make sure that the farmers can stay on their farms and not be forced to move to the cities to try to find jobs that do not exist anyway because of the economic policies of this government.

[*Translation*]

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Madam Speaker, I think the Leader of the Opposition should consider what the Canadian government's position has been in recent years with respect to grain. I believe that this government in particular has paid a great deal of attention to grain producers.

I may add that the Leader of the Opposition is also aware that as far as the grain sector is concerned, our current problem is an international one. The fact that prices are so depressed is above all a result of the incredible price war between the European Common Market and the United States.

• (1120)

GATT trade negotiations resumed just a week ago, and I believe that next Tuesday or Wednesday, the Minister of Agriculture will have a meeting in Europe with Mr. MacSharry, who is responsible for agriculture at the European Community.

I myself will be meeting Mr. Dunkel at the talks a few days later, to defend Canadian interests at the international level so that normal price levels can be restored on a long-term basis.

Meanwhile, Madam Speaker, we have introduced two programs, GRIP and NISA, which were designed by and for farm producers, and under these programs hundreds of millions of dollars will be available this year. We have defended the interests of our farmers—

Madam Deputy Speaker: I think this is starting to sound like a speech. The hon. Leader of the Opposition.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Madam Speaker, I know they have a program that will apply next year. What about this year? That is the question. It is not a speech that the farmers are waiting for, it is help this year. While Canadian farmers are being driven off their land, thousands and thousands of fishermen in Atlantic Canada are being driven off the sea.

The situation is so bad and the catches were so poor this summer that thousands of them will not even qualify for unemployment insurance this winter.

I want to know from the President of the Treasury Board if he has something in mind for these fishermen in Atlantic Canada so they can have a decent winter and qualify for programs of this government which should be there when we have a crisis like we are having today.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I would like to thank the hon. member for his concern shown about the tremendous failure that has been experienced by the Atlantic fishermen this year. It is indeed a tragedy that the fishermen off the coast of Labrador have had literally no fish caught, and there are portions of Newfoundland that have had very, very serious losses.

This government is concerned about it. This government acted this spring when there were ice conditions that we had never seen before in our lifetimes. It put $18 million into the hands of the fishermen, the people who could not get out to fish. We are busy working as diligently as we can on this. This Minister of Fisheries was back in Newfoundland last week, met with the premier, met with the leadership within the fishing industry, and there will be in the coming days announcements made as to what we can do to help those people who are in need.

FISHERIES

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, my question is to the President of the Treasury Board. We have heard these speeches for the last two weeks. Almost every day for the last two weeks a member of Parliament from Newfoundland and Labrador has been on his feet in this House pointing out the depth of the tragedy and the failure in the inshore fishery. I have talked to fishing families who have not paid a bill in months, fishing families who do not know whether their light and power is going to be cut off, fishing families who are down to their last few bits of groceries in the cupboard, fishing families who literally live in fear of whether or not they can feed their children in the next few weeks. The government says: "We are investigating it".

Madam Speaker, we want action now. Will the President of the Treasury Board tell us today that, yes, there will very soon be an answer to the desperate plea for help from the fishermen of Atlantic Canada, specifically Newfoundland and Labrador?

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I could remind the member opposite that there are hearing aids around here if he is having difficulty being heard. I can tell him that everything is being done and there will be aid given to these people. However, you cannot, at the snap of your fingers, design a program which is unprecedented. We have not had a program like this, but there will be.

I repeat exactly, and he can read what I answered to his leader just in the last question.

Hon. William Rompkey (Labrador): Madam Speaker, to the same minister. You cannot design a program at the snap of your fingers.

You also cannot turn away the facts of nature. This is an unprecedented year, but it is also true that we have a window of opportunity now that is going to evaporate.

If you do not do something now for the coast of Labrador, it will be too late in November. You have to act now: not next week, this week. Announce today that you are going to have that program.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, again to the member for Labrador, we did act this year.

That program has been finished, because that was the ice compensation program. It amounted to some $18 million. I know the hon. member opposite has recognized and acknowledged that that was done. There will be action in the near future for the people whom he is concerned about.

* * *

PUBLIC SERVICE

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, since last week we have had government workers at the bargaining table. We have had the grain rolling to port for prairie farmers, farmers who this year have had a bumper crop and record low prices.

Today, this will all stop. This government will allow negotiations to break down. We just heard from the Minister of Consumer and Corporate Affairs who said that the government is concerned about grain and about farmers.

Will the President of the Treasury Board not appoint a mediator to this dispute to ensure that the grain keeps rolling?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I think the hon. member should be a little more careful in describing the situation.

We did not break the negotiations. As late as seven o'clock yesterday, we made two very important offers to the unions. They said: "We will consider them, and we will come back to you."

Today, we had Mr. Bean appearing on television saying: "We cannot solve this at the negotiating table." I disagree fully with the hon. member. I myself am beginning to wonder whether PSAC really wants a settlement negotiated.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, regardless of what the President of Treasury Board said about Crown corporations' executive bonuses yesterday, the fact is that last February, on the eve of the budget, 41 senior executives of Crown corporations did receive bonuses.

Four thousand of 4,700 senior managers in the Public Service received bonuses as high as 10 per cent of their salary over the summer during the same time that this government was refusing to negotiate pay equity for women in the Public Service.

Is there not a tiny bit of hypocrisy here? Will the minister not reconsider mediation to see just what is fair?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, there is no hypocrisy whatsoever.

The hon. member knows very well that we have these arrangements with our senior managers. They have been in place for decades. We have them also for Crown corporations.

What is clear is that this year, April 1991 to April 1992, everybody will have what I call a "zero" year. It will be zero for salary increases, and it will be zero dollar bonuses for all these people which is in most cases a decrease in salary of 5 per cent.

We are trying to be fair in difficult circumstances. We took many difficult measures at budget time, including removing 10 per cent of our managers. This is not an easy thing to do, so I think she should stop making comparisons and look at fair settlements.

I think the package we put on the table with PSAC is, indeed, fair.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I am sure that the minister will agree that collective bargaining has been a well established practice with government workers as well.

The minister may not like the union and the minister may not like Daryl Bean, but surely this government does not despise its workers or hold them in such disdain that it will hammer them back to work without having appointed a mediator to attempt to resolve this dispute in a fair manner.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I repeat again that last evening at seven o'clock, we put on the table a very important proposal which would have guaranteed employment to employees whose jobs within the private service are to cease as a result of contracting out and privatization.

This is something that the union has been seeking for a long time. We have managed to sit with them and work something out. We made a proposal last night.

We also offered to guarantee a lump sum payment to all their employees earning up to $27,000. We increased the package yesterday to them and included a lump sum payment of $500. We have many other items that we put on the table, but they have not replied on any one of them.

• (1130)

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my question is for the President of the Treasury Board.

For weeks we have been urging the government to appoint a mediator as a fair way of ending the dispute with its employees in a manner that respects the collective bargaining process. The government has failed to do the sensible thing and, once again, Canadians are the losers.

When will the minister come to his senses? When will he appoint a mediator who can bring some sanity and some fairness to the situation and restore services to the public?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I would like to know if the hon. member would perhaps allow me before I answer her question to give some information to the Leader of the Opposition pertaining to his first question.

Some hon. members: Order.

Madam Deputy Speaker: Order. If the hon. minister wants to add something or to make a correction to a previous question, I will of course recognize him after Question Period. He may want to answer the question which is on the floor now.

Mr. Loiselle: Excuse my inexperience, Madam Speaker. I will repeat again what I have just said, that we have been going through a process of negotiation. Do not forget that we had been at this for 90 days before the strike. We had 60 days of negotiation, and we had 30 days of conciliation. There was a third party involved and we did not seem to be getting anywhere.

We sat again in good faith. We put offers on the table. They were discussed for one week, so we were certainly making progress. Yet again last night we came forward with two proposals that were new for PSAC.

They said: "We will consider them and come back to you", and they have not done so. We are at the table and waiting for them to come back.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my second question is for the same minister.

What the minister is saying is that he is refusing to do for his own employees what he has already done for postal workers and try to reach a sane and sensible settlement while services continue. What the minister is telling Canadians is he is prepared to make them the victims on the battleground of his dispute with his own employees.

An hon. member: Shame.

Mrs. Catterall: The public is suffering because this minister and this government are too stubborn to do the right and fair thing and try to get a solution.

I ask the minister one more time to do as we have recommended, to respect the collective bargaining process, which is the law of this land, and appoint a mediator, who is neither friend of the government nor friend of the union, who can bring some fairness, some stability and some sanity to this mess. Will the minister do that or not? If not, why not?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I have already indicated to the hon. member that there is an ongoing process. We did not break off negotiations. We made new offers and I expect them to be considered.

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PORT OF HALIFAX

Mr. Ron MacDonald (Dartmouth): Madam Speaker, my question is for the Minister of Transport.

On May 27 in this House I asked the minister to instruct the National Transportation Agency to hold a full inquiry into the competitiveness of the port of Halifax. Instead of an inquiry, we hear now that the minister is considering a new tax on all vessels plying Canadian waters, a new tax which will further reduce the competitiveness of the port of Halifax.

My question is this: Since the minister has said that he is reconsidering this new tax, will he also reconsider my request of May 17 and order the National Transportation

Agency to hold a full inquiry into the competitiveness of the port of Halifax?

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, we have been working with the people in the port of Halifax, with the shippers and with the carriers to do what we can to enhance the port of Halifax.

I think the hon. member should take into consideration the fact that the port of Halifax at the current time is certainly in a condition where the tonnage going through the port of Halifax is down.

We should also remember that the port of Halifax right now is well above where it was five years ago. Historically it has been a victim of the cyclical change as far as transportation and shipping are concerned. We know it is in a downturn right now and we are working with the port to attempt to help in whatever way we can to increase tonnage through the port.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, my supplementary question is on the same issue, but it is for the Minister of Agriculture.

The government has bowed to pressure from Canadian Pacific Railway and has changed its regulation with respect to the inspection of refrigerated meat products entering Canada. The result of this change is that it will be easier for imported meat products to enter the Canadian market through U.S. ports, not Canadian ports.

Given the fact that the port of Halifax sees over 50,000 metric tons of refrigerated meat products go through its port every year, I want to ask the minister if he will immediately rescind these new regulations which are going to be crippling and perhaps be the death-knell on the competitiveness of the port of Halifax.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Madam Speaker, we all know that from time to time we have problems with the borders in some specific cases, as the hon. member is mentioning. However, we should know that Canada is a net exporter as well in this sector and we must be very careful about import-export regulation at the borders.

What we want is to be more competitive and get more products out of the borders as well, to improve our capacity to export. We have the capacity to look after those borders and those regulations. I can assure the hon. member that we are going to look after these problems and get back to him on the specifics.

* * *

THE CONSTITUTION

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I want to return to the Constitution and ask the Deputy Prime Minister, whoever that may be, a question.

Under the proposed amendment to section 121 of the Constitution, which will now read to include, if passed, the free flow of not only goods but also of services, people and capital, I would like to ask the minister, for example: What would happen if this section is part of the Constitution to a Crown corporation like Sask Energy in Saskatchewan that Grant Devine tried but failed to privatize two years ago? If this provision were in effect, would it require, for example, Sask Energy in that case to be privatized, forcing it to live by the same legal and financial and tax regimes as the private sector and private energy corporations? Would that be the case under the free flow of capital under section 121?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, the intent of article 121 is very clear but, as was raised by the hon. Leader of the Opposition earlier on about the *les offices de commercialisation*, it is written later on that certain institutions like those in particular which are targeted would be protected under a national interest.

Bill C-21 indicates that we should strive to remove all the obstacles, most of them, but we make provision for regional development, for regional disparity and for other interventions which might be judged to be of national interest.

In any case, it is only when the proper legislation is drafted that we can see how this will apply. I am not in a position at this time to pass judgment on the interpretation of a piece of law which has not even been written yet.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I think that is the very case in point. Here is the government minister saying he cannot pass judgment on law, and yet they are proposing the constitutional amendment. Sask Energy is not a marketing board. What guarantee is there that it be declared in the national

interests? Those are the questions I ask. They are very important, Madam Speaker.

In addition to that real question, I would like to ask the following of the minister. In *The Toronto Star* this morning the Minister responsible for Constitutional Affairs is saying that once a provincial government opts in to a certain provision under the new amendment to section 91 of the economic union, a subsequent government cannot opt out. Thus that subsequent government is committed to the guidelines of the previous government. In the words of the minister, and I quote: "You are caught, you are bound in that situation", which theoretically means that the Ontario government might have been prevented from taking its most recent direction in its budget a few months ago.

The Minister of Finance said the opposite. My question is: Which minister has the proper interpretation—the Minister responsible for Constitutional Affairs who said there is a prohibition or the Minister of Finance?

• (1140)

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I must say in terms of the aspects being raised by the hon. member about the budget making process or the macro-economic approach that what we have proposed is basically something which should be obvious to all Canadians. We have 11 governments operating in this country. Surely they would not want to be at cross purposes. In my view it is very clear that provincial government are sovereign governments. In the end, if they can get into a deal, the same method should allow them to get out of it.

In my view the problem raised by the hon. member does not exist. What we want is to create a mechanism whereby governments can sit together, look at the situation together, try to reach a consensus, and then hopefully act accordingly for the good of all Canadians.

ARMENIA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Madam Speaker, my question is for the Secretary of State for External Affairs.

Last Saturday I had the honour to be in Armenia as Canada's official observer during their historic referendum for independence. The Armenian citizens voted overwhelmingly, 99.31 per cent, for independence to rid themselves of the oppressive yolk of communism which lasted over seven decades. The atmosphere was euphoric on Saturday, but now the new government must face the harsh realities toward building a free—

Madam Deputy Speaker: I am sure the hon. member does have a question.

Mr. Attewell: Madam Speaker, my question is: Will Canada work closely with the Armenian government to provide all possible technical aid and assistance as it builds for the future?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, first of all I want to thank the hon. member for acting as my personal representative at the referendum on independence which did indeed produce excellent results for Armenia.

We will be ready to stand by and assist in Armenia. I would point out that during the earthquake a couple of years ago in that region, Canada was one of the first and major donors and, that in London this summer at the G-7, the Prime Minister committed $25 million to technical assistance within the republics of the Soviet Union. That funding too will be available to the Armenians.

We have a task force actively engaged in assessing Canada's expertise and how it can be matched. I am sure that Canadians of Armenian descent as well will want to be involved directly in assisting their country.

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CANADIAN NATIONAL

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, my question is for the Minister of State for Transport.

CN is selling its rail line from Truro to Sydney, Nova Scotia. Tenders are being called today. This line is vital to the economy of eastern Nova Scotia, including to Stora Forest Industries on which more than 2,000 jobs directly depend.

Why has the minister allowed CN to sell this vital rail line in Nova Scotia?

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, CN has made a proposal under a formula that is possible within this country. The one caveat that is in there is that the bid received will not be entertained if it does not maintain the same level of service that is currently there on that particular line.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I remind the minister of section 99 of the Financial Administration Act which authorizes the Governor in Council to issue directives to Crown corporations.

Will the minister direct CN today to stop its privatization of the Truro to Sydney line? I also remind the minister of the Route Canada application in which the government allowed CN to privatize Route Canada and a few years later it went bankrupt.

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, until the tenders are placed, until the offers are received and until we see what the entire situation is on that line, no decision will be made.

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WORLD SUMMIT FOR CHILDREN

Mrs. Beryl Gaffney (Nepean): Madam Speaker, my question is for the Acting Prime Minister.

This weekend marks the first anniversary of the United Nations World Summit for Children. Its main goal was to encourage governments to sign and ratify the Convention on the Rights of the Child. As we know, Canada has yet to sign and ratify this convention.

My question to the acting Prime Minister is what steps does the government still have to take before honouring this agreement?

Hon. Robert de Cotret (Secretary of State of Canada): Madam Speaker, I think this government and the Prime Minister have made it very clear that we have a long-standing commitment to this particular process and things are advancing as they should. We maintain that commitment. The Prime Minister has made it time and time again.

I would just like to reiterate to my hon. colleague that our position has not changed.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, that is the most frustrating answer I have ever received in this House. We know that money to help the needy is scarce at all levels of government, and especially since this government has put a cap on CAP, which is where the money is going to have to come from.

Given this strait-jacket that the government has put on the provinces, I really would like to ask the minister whether this convention and the summit have merely been an exercise in public relations by the Prime Minister?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, absolutely not. I have been in New York for most of this week at the United Nations and I raised the issue of the children's summit a year ago in my speech. I also was discussing with colleagues in other countries the over-all and co-ordinated response that we are expecting.

Canada will be responding very shortly. We have worked very actively on our response. I am sure the hon. member will be pleased when she sees it, and she will see it very soon.

* * *

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the bankruptcy statistics, which were released today, shows signs that the recession is not over and that recovery is still stalled. Business bankruptcies are up 7 per cent since July, and over all bankruptcies are up 17 per cent from last year.

I would like to ask this government what it is doing to change its economic policies given that unemployment is rising, given that the manufacturing sector output is falling, and given now that business bankruptcies are increasing?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the rate of bankruptcies in this country is totally unacceptable. We do not take enjoyment in seeing either personal or business bankruptcies.

One thing I can say, however, is that the rate of bankruptcies, the trend, is down not up and that is a positive sign. We believe with the drop in interest rates, which again dropped yesterday some nine bases points, that that trend has continued over a period of time. We believe that will help businesses naturally recover and recovery in this country.

We, of course, still firmly believe, and we have great support in that, in getting inflation down and interest rates down. Keeping them both down is going to be the best thing we can do in this country for business recovery. We are working toward that end.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the government claims in fact that lower inflation is the path to recovery and yet the Bank of Canada has just reported that 41 per cent of present inflation has come from the GST and other taxes.

Why is the government pushing up inflation with these taxes at the same time that it claims to be seeking lower inflation? Surely there is a major contradiction here that is hurting people right across this country.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the hon. member is right. One thing he fails to point out though is that the government predicted that inflation would increase 1.25 per cent because of the goods and services tax. That is exactly what happened.

The opposition said it would go up 7 per cent, as I remember.

The other major cause of the increase in inflation due to government policy is the increase in cigarette tax. That is the other major reason.

Does the hon. member oppose that tax?

* * *

• (1150)

TAXATION

Hon. Alan Redway (Don Valley East): Madam Speaker, my question is for the acting Minister of Finance.

This week, Inter-City Products, a Canadian company, closed one of its American plants and moved jobs to Canada. Last week, Colgate-Palmolive, an American company, closed one of its Canadian plants and moved jobs to the United States.

Would the minister not agree that Canadian owners are more likely to preserve Canadian jobs? If he does, will the government encourage more Canadian ownership by increasing rather than decreasing the dividend tax credit?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, the best way to keep companies in Canada is to ensure that our economic policy, our trade policy and our tax policy are all conducive to international competitiveness. That is what it is all about.

That is what the free trade agreement is all about and that is what the removal of the manufacturers' sales tax which penalized our Canadian producers over their competitors off-shore is all about.

We believe that our corporate tax rate is in line with our competitors, and we adjusted our tax in tax reform in 1987 to that effect.

I read with interest about the 300 jobs that are heading to Brantford. They are closing down a plant in the United States and moving the jobs to Canada.

I visited IBM just recently. It is opening a new plant in Brockville, and it is enlarging its operation in London, all because of the free trade agreement. There is adjustment going on, but there is a lot of good news for Canada in this.

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[*Translation*]

PAPER INDUSTRY

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, my question is for the President of the Treasury Board. Yesterday, Donohue Matane Inc. announced it was shutting down indefinitely, laying off 400 people.

Some analysts days that the paper industry cannot compete with the Canadian dollar at 88 cents.

Here is my question to the minister: will the minister review his monetary policy to give a break to a region where the unemployment rate exceeds 25 per cent?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I will remind the member for Saint-Léonard who just talked about the exchange rate how difficult it is to control the value of the Canadian dollar and correct this idea

members opposite seem to have that the government could bring it down artificially at the touch of a button.

Foreign borrowing by the provinces for the first six months of this year totals some $10 billion, which is more than for all of last year. Such loans naturally translate into dollars, creating a huge demand for Canadian currency. So the price goes up. The value of our currency is set by the demand on the market, not by some government decision.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, maybe I should remind the minister that, just last week, at the 1991 economic rendez-vous in Quebec, the economic stakeholders passed a resolution urging the federal government to act and review its monetary policy to boost, so to speak, Quebec's economy. My question is quite simple. He asked the new minister responsible for Quebec economic development to— the Minister of National Health and Welfare had made a flashy announcement in Matane to save this area with over 25 per cent unemployment. Where is he today? What does he intend to do for these 400 new unemployed men and women in Matane?

[*English*]

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, let me point out to my hon. friend that there are a lot of other factors involved in the decision to curtail production at the Matane mill.

The fact of the matter is that demand has very seriously declined by 10 per cent this year alone. Prices have fallen by 22 per cent this year for this kind of product.

It is tragic of course that a new mill like this, as well equipped as it is in technology, should not have overcome its initial start-up period and break its way into the market.

As I have said, the mill is well equipped with the very best in technology both in the environmental and technical sense. It bodes well for the future. I hope that the shut-down is not for too long a period.

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PORT OF HALIFAX

Ms. Mary Clancy (Halifax): Madam Speaker, in the port of Halifax, the At and East grain subsidy is dead. Government contribution to the new double stacking program between Halifax and Montreal is strictly provincial. A new tax is being planned and federal government policy makes it easier to import meat products through American ports into Canada. Yet the Prime Minister said last week that he has concrete proposals.

I ask the Minister of Transport: What are these concrete proposals? For a change, what is the good news for the port of Halifax?

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, I appreciate the hon. member's concern about her particular area of the country and that indeed is why we are all in this House, to work to make this country grow and make it prosper.

As I mentioned earlier, the port of Halifax does have some problems right now. It is caught by a problem with tonnage on the high seas being reduced. Therefore it is no longer going in. The container traffic certainly is down at the port.

It is, however, still higher than it has been in the past. There are projections that it will improve again in the future. In the mean time, we are working with the port. As the hon. member knows, the province has worked. The federal government has worked with port officials to see what can be done.

It is something we must all work together on, along with the member for Halifax. One of the things that she should keep in mind also is that when it comes to port competitiveness, the municipality also plays a part in this. She may know that the municipal taxes paid by the port of Halifax are higher than what it they are in other North American ports, such as New York and Montreal. We all must work together to make the port work more effectively.

Ms. Mary Clancy (Halifax): Madam Speaker, the question was: What is the federal government going to do? The question has been: What is the federal government going to do? Pretty words and nice phrases will do nothing for the port of Halifax whose business is down from last year, which the minister knows well.

If the minister cannot tell us what the federal government plans to do, and it appears that she cannot, maybe she can tell us why Ports Canada refuses to release its report on the competitiveness of ports like Halifax.

What is the government hiding? What is the bad news?

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, nothing is being hidden. Ports Canada will release that report when it has the report finished and is in a position to—

Ms. Clancy: It's finished.

Mrs. Martin: —and all of the necessary background work is done to release it, it will release it.

The member must also remember that we have to look after all ports in this country, not just the port of Halifax. We are concerned about it.

Some hon. members: Oh, oh.

Ms. Clancy: Good job in St. John's.

Mrs. Martin: We are concerned about it.

The hon. member is calling out about St. John's. She might want to talk to her colleague from Thunder Bay—Nipigon about the port of Thunder Bay and how it has benefited by what has been done.

Ms. Clancy: It will sell well in Halifax.

Mrs. Martin: I know it will sell well in the port of Halifax, Madam Speaker, because this member is representing her riding. There are other ridings in this country also that have to be represented when it comes to ports. We are working on the port of Halifax and we will continue to work.

Madam Deputy Speaker: The hon. member for Comox—Alberni.

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LITERACY

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, last May the government promised to cut Canada's illiteracy rate in half by the year 2000. According to the government's own figures, 4.5 million Canadians are basically illiterate or marginally literate. This means the government will have to come up with funds to provide literacy training for 2.25 million Canadians over the next nine years. Yet there is no new funding in the minister's budget and the minister continues to fund only short-term pilot projects.

My question is for whomever is sitting in for the minister today, or for the Minister of Finance. This is a promise in the last throne speech of this government. How can the government expect to deal with Canada's literacy problems, which are costing this country $10 billion annually unless there is sufficient money in the minister's budget to provide long-term funds to support literacy programs?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, as the hon. member has correctly indicated, it was referred to in the throne speech, like many other initiatives which are part of the government's global agenda. With respect particularly to prosperity, we all are aware that we have serious problems in this country, one of them being illiteracy, the other one being the drop-out rate in high schools. The government is putting into place the appropriate programs to deal with those problems in co-operation with the provinces which have specific jurisdictions with respect to education.

• (1200)

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a supplementary question.

Pilot projects funded by the Minister of Multiculturalism and Citizenship have a proven record of success in improving literacy. Yet these projects lose their funding after a year or two because of the government department's short-term funding policy.

An example is the Write Place in Parksville, British Columbia, which, although very successful, had its funding cut and was forced to close its doors three weeks ago.

My question to the minister is: Why does this funding program punish success? When is he going to address illiteracy problems seriously by providing ongoing funding for successful literacy programs?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, I cannot answer with respect to the specific program to which my colleague refers. I will certainly have it looked into and will get back to the hon. member as quickly as possible.

AGRICULTURE

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the President of the Treasury Board.

A few moments ago the President of the Treasury Board said that agricultural marketing boards would be protected under the national interest clause of the constitutional proposal.

Why then, two days after the constitutional proposal, did the government table the economic union document which qualifies agricultural marketing boards as undesirable trade impediments? Is the government in favour of or against marketing boards? Canadians want to know.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, in the document on the economic union we list all kinds of organizations or rules preventing full mobility in Canada. Of course, marketing boards are on that list. However, marketing boards serve other purposes also, such as the external market as was well explained by my colleague this morning.

In some instances the national interest would prevail. In this particular instance it is our intention to make it prevail.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, the document on the Canadian economic union clearly mentions agricultural supply marketing boards as an internal barrier that it would not be desirable to maintain.

Why does the minister consider our marketing boards to be "detrimental"? Is he for or against marketing boards for our farmers?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, we have always said that we took a political decision to maintain marketing boards and I can tell my colleague again that, with his help and the other party's help, we will do all we can to maintain agricultural marketing boards.

Point of Order

POINT OF ORDER

CONSTITUTIONAL PROPOSALS—MARKETING BOARD

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I raise a point of order, in view of the opposition leader's first question, simply as a reminder that of course the document must be read in full, as a whole.

He read an excerpt in which institutions or obstacles to free movement are mentioned. Obviously, a board that regulates and controls is by definition an obstacle. Some obstacles are desirable. On page 22 of the document on economic union, it says precisely, under "Managing the Internal Market", that the government proposes to adopt laws, programs, practices, but "the amendment —allows for exceptions for reasons of national interest".

I tell him that this is an exception in the national interest. It is on the lower right-hand side of page 22.

Madam Deputy Speaker: I thank the hon. minister, but when making a correction, one should not get into debate. Does the Hon. Leader of the Opposition wish to speak?

Hon. Jean Chrétien (Leader of the Opposition): Madam Speaker, yes, I wish to speak, because the government is completely confused!

In a document, the government says that it wants to maintain marketing boards; in another, it says that it wants to do away with them. While that is going on, thousands and thousands of farmers do not know what will happen to them. These people owe money to the banks and have obligations to meet. We ask the government: Are you for or against? If you are in favour, take out what is in the second document. If you are not, take out what is in the second document everywhere it is mentioned.

Madam Deputy Speaker: The Hon. Leader of the Opposition was also getting into debate. The beginning of one debate started another. I think that we will continue with Routine Proceedings. Did the Hon. Minister of Transport wish to speak?

[*English*]

CLARIFICATION OF ANSWER

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, I rise on a point of order concerning an answer I gave to the member for Halifax.

I said that the port of Halifax was paying more taxes. I meant to say that the container terminals were paying more taxes in the port of Halifax. I just wanted to clarify that.

Madam Deputy Speaker: I thank the hon. minister for the clarification.

ROUTINE PROCEEDINGS

[*Translation*]

HOUSE MANAGEMENT

PRESENTATION OF EIGTH REPORT OF STANDING COMMITTEE

Mr. Charles Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Madam Speaker, I have the honour to present the eighth report of the Standing Committee on House Management and, if the House agrees, I intend to move adoption of this report later today.

[*Editor's Note: The Clerk of the House read the report.*]

Madam Deputy Speaker: Would there be unanimous consent to dispense with reading the document?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Rocheleau: Point of order, Madam Speaker.

Madam Deputy Speaker: The hon. member for Hull—Aylmer on a point of order.

Mr. Rocheleau: Yes, Madam Speaker, I would like to hear the names of committee members, since the Bloc Quebecois has already asked to be on those committees. I would like to know which of my colleagues are on them. I would like to hear it, personally.

Madam Deputy Speaker: There are copies on the Table. I am sure that the hon. member can refer to them and I can even send him a copy right now.

Mr. Rocheleau: You are too kind, Madam Speaker, but I think that all Canadians would like to know who are representing them.

Madam Deputy Speaker: Since there is no unanimous consent, I would ask the Clerk to read it to us.

[*Editor's Note: The Clerk of the House read the report. See today's Votes and Proceedings.*]

[*English*]

Mr. Gauthier: Madam Speaker, this morning you ruled about the New Democratic Party trying to put asterisks next to their nominees to the Constitution committee. I would like to have the assurance that in this case all the nominees of the NDP do not have stars next to their names so that they do not get any special treatment from the House of Commons.

Mr. Harvey (Edmonton East): Madam Speaker, as the member is doubtless aware given his long years of experience in the House, all New Democrat members are stars.

[*Translation*]

Mr. Rocheleau: Madam Speaker, I apologize for making the hon. members listen to the complete list of committees and the members from this place who compose them. I just want to point out that we from the Bloc Quebecois had offered our full collaboration to participate in any of these committees, but were appointed only to those dealing with matters of general interest, as substitutes.

We are not considered full-fledged members of this House and it shows.

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HOUSE MANAGEMENT

CONCURRENCE IN EIGHTH REPORT OF STANDING COMMITTEE

Mr. Charles Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Madam Speaker, with leave from the House, I move that the eighth report of the Standing Committee on House Management tabled today be concurred in.

Motion agreed to.

• (1220)

[*English*]

HAZARDOUS PRODUCTS ACT

MEASURE TO AMEND

Mr. Phillip Edmonston (Chambly): Madam Speaker, I ask that Notice of Motion No. 33, standing in my name on the Order Paper under Private Members' Business, be withdrawn.

It relates to amending the Hazardous Products Act for children's sleepwear. There are many times that we criticize the government for not doing what we wish it to do. This is one instance where the government has done something in favour of all consumers across Canada as it should with regard to fire retardant material for children's pyjamas.

I checked back and looked at the law. It has been corrected and it represents a much better situation today than when this motion was first presented.

To finish, I would like to say that I spoke with the chief health officer of Winnipeg, the doctor who began the crusade. He is very happy with what has been done by the government.

I think that the people working in the Hazardous Products Branch of Consumer and Corporate Affairs should be complimented for the work that they did.

Madam Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

Motion withdrawn.

* * *

COMMITTEES OF THE HOUSE

SELECTION OF CHAIRMEN

Mr. Jim Hawkes (Calgary West): Madam Speaker, I think you would find disposition in the House to accept the following motion, seconded by the member for St. Leonard. It is a follow-up to the eighth report:

> That notwithstanding any Standing Order or the practice of the House or its standing or standing joint committees, the incumbent chairman of the standing and standing joint committees shall continue in office until the committee concerned shall otherwise order, provided that those standing or standing joint committees whose chairmen cease to be members of the committee shall proceed to the election of a new chairman as their first order of business.

This is a motion that we did pass on October 8, 1989. It is normal practice when these kinds of situations arise.

Motion agreed to.

* * *

PETITIONS

TAXATION

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have 10 petitions.

This petition is circulated by the Association of Iroquois and Allied Nations. It is signed by a number of people from Saskatchewan, all the way through to the province of Nova Scotia.

The petition reminds the members of Parliament that the first nations of Canada are immune from taxation by virtue of their aboriginal and treaty rights in spite of the fact that the federal government has set in place a goods and services tax which will affect aboriginal people.

The petitioners call upon Parliament to fulfil its responsibility to the first nations in Canada by taking immediate steps to rectify the deficiencies of the policy guidelines, including changes which will protect the taxation immunity of first nations citizens both on or off reserve lands, including those citizens who do not as yet have recognized reserve lands.

SCOTIA SYNFUELS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I would like to present a petition signed by more than 3,000 people in my riding of Cape Breton Highlands—Canso.

They come from all over Highlands—Canso, and the petition concerns the Scotia Synfuels project. The economy in eastern Nova Scotia and in Cape Breton is severely depressed at the moment.

The petitioners feel that the Scotia Synfuels project represents the best hope for industrial development in eastern Nova Scotia. It would create an additional 2,000 jobs for the Cape Breton economy and would provide us with a made-in-Canada energy source. It would use some of our natural assets, namely, our coal in Cape Breton and our very good deep water port.

The petitioners humbly pray and beseech Parliament that this government will support this very worth-while project.

UNEMPLOYMENT INSURANCE

Ms. Barbara Greene (Don Valley North): Madam Speaker, I have been asked to present a petition to have Bill C-21 changed in order to give equal paid leave to adoptive parents.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

RAILWAY ACT

MEASURE TO AMEND

The House resumed from Monday June 17, 1991, consideration of the motion of Mr. Corbeil that Bill C-11, an Act to amend the Railway Act (grain and flour subsidies), be read the third time and passed.

Madam Deputy Speaker: Before recognizing another speaker, I would simply like to say a few words to hon. members of this house. As was the case yesterday, in the absence of one of our colleagues, some hon. members who chair committees and are part of this panel, have been kind enough to accept to replace him in the Chair for short periods, and I know that you will extend the person who will replace me for the next hour or so the same courtesy you have always shown me. I thank the hon. member for Saint-Denis for accepting to take my place for a short while.

The hon. member for Egmont.

[*English*]

Mr. Joe McGuire (Egmont): Madam Speaker, I would like at this time to address the April 1989 budgetary decision of this government that terminated the At and East export grain and flour subsidy. This decision, which was actually implemented in July 1989 reflects the callous disregard that this government has repeatedly shown toward the aspirations of the people of Canada, particularly the people of Atlantic Canada.

Over two years after the actual implementation of its decision, this government is still seeking the approval of Parliament for its action. Yes, it is seeking over two years of retroactive approval. What a display of contempt for Parliament.

The removal of this subsidy was supposedly made in an effort to reduce government spending and reduce the deficit. No one quarrels with the desire to reduce the deficit, but a little research and two years of experience shows that the removal of this subsidy has had the opposite effect and actually increased the deficit as well as increased unemployment and aggravated other social problems.

In September 1989 the Atlantic Provinces Transportation Commission submitted a study showing that the net savings in removal of this subsidy would be minimal and that a small, one-time expenditure in the upgrading of the Saint John terminal to enable the off-loading of ships, would have allowed this subsidy to impact positively on the well-being of the economy of the Atlantic area.

Rather than study this document, and have the courtesy to respond to the suggestions contained therein, this government did not even have the courtesy of giving a response to the people of Atlantic Canada.

It would appear that the much touted policy of consultation with the people before a decision is made does not extend to the Atlantic provinces. The closure of CFB Summerside is another example of this.

I would like to take a few minutes at this time to review briefly some of the contents of the Atlantic Provinces Transportation Commission submission. I hope this will remind this government of the Atlantic provinces' desire and need to keep open the terminals at Halifax and Saint John in order to serve the needs of the people in this region and provide jobs.

This study showed that in 1988, the last year that the subsidy was in place, the cost to the Government of Canada was slightly over $32 million. The study also showed that the economic loss of this decision would be approximately $27.5 million, for a net savings of only $4.5 million. The same study showed that upgrading the Saint John terminal by providing a marine receiving facility, so that ships could be unloaded, would reduce the cost of the subsidy by $22 million. This would then change the

subsidy from being a cost of $4.5 million to a gain to the economy of $17.5 million if the subsidy was retained.

These figures illustrate that the decision to remove the subsidy was made on the false assumption that there would be a drop in the cost to the Canadian economy when in fact the study showed the opposite effect would occur.

There were other recommendations made that would ensure that the grain elevators at Halifax and Saint John would be able to continue as viable operations and that the export of grain and flour would continue to move through the ports of Halifax and Saint John.

• (1230)

These recommendations included permit plan C feed grain to come to Halifax and Saint John by water; eliminate the countervail duty on U.S. corn— I believe this has been done—provide facilities in Saint John to receive grain by water; use the port of Halifax to export flour; allow feed grain to be imported from foreign countries.

When this issue was debated over two years ago, the Atlantic Provinces Transportation Commission said, and I quote:

> The termination of the At and East rate structure will have serious economic consequences for the Maritime ports as well as for other activities that depend on the movement of export grain and flour through the ports. These activities include grain elevators, port employment and railway employment. There are also negative implications in relation to flour milling and the movement of domestic feed grains in the Atlantic Region. The importance of maintaining the Halifax grain elevator as a viable operation is of critical economic importance to the entire Atlantic region.

The Saint John grain elevator serves only the export market. However, the rail traffic provided by the movement of export grain over that portion of the rail line from Montreal to Saint John was an important contribution to the viability of that line.

The shipment of export flour through the Port of Halifax contributed significantly to employment at the port.

The At and East export grain and flour subsidy program had important implications for several domestic industries in the Atlantic region, including local livestock producers, flour milling and the railways.

With the cancelling of this program, the continued viability of the grain elevators at Halifax and Saint John is in jeopardy.

Let us now look at what has happened in the two years since the decision to terminate the At and East.

The Saint John elevator has closed with the accompanying job loss. A study of what will make it viable indicates that if this government insists on continuing its present policies, it will never reopen.

Two hundred and fifty tonnes of export grain are required, mainly because the market for feed grain is limited. Without some form of government action, this is an unrealistic expectation.

In Halifax, we now export only 60,000 tonnes of grain. Feed grain demand cannot make up the shortfall. The port needs 400,000 tonnes to make a profit and ensure long term viability. Without some form of government action, this will not happen.

We have already seen substantial job loss at the port of Halifax. The Atlantic Provinces Transportation Commission in an extensive study this year has concluded, and I quote:

> Under current operating circumstances, if the government takes no action to assist them, the long term viability of grain elevators in Atlantic Canada is in doubt.

To achieve financial viability requires an increase in export grain for Atlantic elevators. If this does not happen, Saint John will stay closed and Halifax will close.

The loss of this economic activity in the two ports involved will have a terrible impact.

But we must keep in mind what will happen in the agricultural sector. Cost of feed grain is predicted to rise by $10 a tonne. That would make our livestock and poultry industry non-competitive and these industries would die. The warning signs are already there. Only a government as blind and insensitive as this one could ignore these signs.

Atlantic Canada has already been the victim of this government's policies in many areas, the fishery, transportation, small craft harbours, the post office, and the list goes on.

Surely Atlantic agriculture deserves a better fate than that which will surely befall it if the AT and East subsidy is not restored.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to rise once again to speak on this legislation. It is a piece of legislation which comes at a time when the transportation infrastructure of Atlantic Canada is so much in peril and under attack. At a time when this government, as announced this week, has proposed major plans to create an economic union and a common market across Canada, the At and East subsidy and the legislation which in effect kills this subsidy without any reasonable form of replacement fly in the face of the laudable objective of creating a viable economic union across Canada.

If in Atlantic Canada we do not have an adequate and competitive transportation infrastructure, which has been part of the reason for being part of this country since Confederation, how can we realistically expect to participate in a viable economic union? Those are the fundamentals of this debate today.

This comes virtually two years after the At and East subsidy was cancelled without even recourse to Parliament. In fact, the previous legislation, Bill C-26, which was in effect in the last Parliament, was enacted after the subsidy had been removed and after the consequences of the subsidy, namely the closure of the Saint John terminal and the downsizing of the Halifax terminal, had already taken effect.

This raises the procedural point related to this legislation, that is the arrogance with which the government has treated this particular matter in initially introducing the legislation after the fact. On top of that, to add insult to injury, it reintroduced it in this Parliament without going through the proper legislative steps which are expected after a government begins a new Parliament with a Speech from the Throne.

The abuse of Parliament and the arrogance by which this legislation was introduced are additional insults to the people of Atlantic Canada.

I do not want to confine my remarks at this time to the procedural matter because the substance of this legislation is also very important. In fact, the At and East subsidy was a vital way of lowering the price of agricultural products produced in Atlantic Canada by enabling grain to move across the country to the farmers of Atlantic Canada. Therefore, the loss of a subsidy without an adequate replacement places the farmers of Atlantic Canada in additional jeopardy, not to mention the millers in Halifax.

What is also surprising about this whole affair is the fact that the government had an option. The government had an alternative to cancelling this subsidy. In fact, it even commissioned a study which provided the government with a more efficient and viable way of assisting the movement of grain in eastern Canada. This would mean that those people and industries so vitally dependent on this service would not have to go without. They would be able to continue to receive the benefits that the At and East subsidy, perhaps not as efficiently as it might have and perhaps more costly than it might have, provided to the farmers and the millers of Atlantic Canada.

Instead the government has chosen to cancel the subsidy, to eliminate this program, and then come to Parliament a long time after the fact for approval.

This is a further insult to the people of Atlantic Canada. It is an insult because they are losing their vital infrastructure and do not have a sense that they have a say about it. When they offer their opinion, when they agree to participate—as the Atlantic Provinces Transportation Commission did in working on this study and in providing advice through the committee on transport on how to modernize, update, and re-orient the subsidy programs available to eastern Canada—the federal government has chosen to ignore their advice. It says: "We are pressing on in the way we planned to, thank you very much, but we do not want to listen. We have our minds made up".

• (1240)

It is this kind of disregard for the views of Atlantic Canadians and the associations which represent them which has been a hallmark and a trademark of this government. It is in evidence with this particular piece of legislation.

We on this side of the House want to demonstrate by our opposition to this bill the fact that in Atlantic Canada we are concerned about transportation. We are concerned about being able to play on an equal playing field. We are not willing to accept, lying down, the transportation infrastructure as represented by this piece of legislation.

[*Translation*]

The Acting Speaker (Mr. Prud'homme): Do other member wish to speak? Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Prud'homme): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Prud'homme): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Prud'homme): In my opinion the yeas have it.

[*English*]

Pursuant to Standing Order 45(6), the recorded division stands deferred until six o'clock p.m. Monday, September 30, 1991.

* * *

DEBT SERVICING AND ACCOUNT REDUCTION ACT

MEASURE TO ENACT

The House resumed from Friday, September 20, consideration of the motion of Mr. Mazankowski that Bill C-21, an act relating to the accounting of certain payments for the servicing of the debt of Canada, be read the second time and referred to Legislative Committee F.

[*Translation*]

The Acting Speaker (Mr. Prud'homme): At the time we adjourned the debate, the hon. member for Ottawa Centre had the floor. He has 15 minutes left. The floor is his again.

[*English*]

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, Bill C-21 is what we are debating today. The government is calling it the Debt Servicing and Reduction Account Act.

We are willing to let this bill go to committee, but we are not going to let it go to committee without making some comments about it.

First, in my view this act is somewhat misleading. When the government tells the public that it is opening an account in order to reduce the debt, it is almost telling the public that there is some surplus of funds coming in and it is going to take that surplus and put it toward the reduction of the deficit. The reality is that there is no surplus fund whether the government is going to open one account, two accounts, three accounts or 100 accounts for that matter. The bottom line is that there is a deficit in terms of the total revenues the government is receiving on an annual basis compared to its total expenditures on an annual basis.

Taking everything into account, there is a shortfall. Opening a separate account and setting up a bureaucracy to manage it, or for that matter even trying to give the illusion that the government is doing something about deficit reduction when in fact nothing is done through this account, is somewhat misleading and puzzling.

I think the government is doing this because a lot of the people who are still and will always be opposed to the goods and services tax, which is now the law, are saying: "If the government were to take the net revenue from the GST and put it toward the deficit reduction, we would not mind it that much. But the government is spending the money unwisely and mismanaging the economy. That is why we are upset about it".

The government in its wisdom thought: "Let us put out some sort of public relations gimmick and try to make the public feel that we are doing something about deficit reduction by opening an account", and it did open the account. All of the revenue from the GST, or the surplus revenue from the GST, will go to that account.

In 1988, and prior to that, when the then Minister of Finance was talking about the GST, if I recall correctly and the public does recall that, the idea was that the GST would be revenue neutral. Supposedly, the main intention of the GST was to replace the manufacturers' sales tax because the manufacturers' sales tax was a bad tax and because the government wanted to come up with something it called progressive. It replaced the manufacturers' sales tax with the GST. It was never, as I recall, the intention of the government to have a surplus.

However, now that there is a surplus it wants to put it toward deficit reduction.

It is interesting to know that the so-called surplus will not happen before the year 1996. Even then there will be no surplus. One would wonder why government is opening an account now when it is not going to be able to do anything with this account until 1995-96. That is why I believe that the government's move is somewhat misguided, misleading and unwise. It is raising the expectation of the public about something that is not going to be effective until 1995-96.

Even then, any chartered accountant or anyone who knows about addition and subtraction would say that there is no need for a separate account. The deficit in 1990-91 is approximately $30.5 billion. The projection for 1991-92 is $30.5 billion again. The projection for 1992-93 is $24 billion; 1993-94, $16.6 billion; 1994-95, $10 billion; and in 1995-96, $6.5 billion. Even until then we will still be in a deficit position, assuming that all of the government forecasts are good. We know from past experience that most of the time those forecasts were not on target.

The total debt which is right now about $388 billion will be $476 billion by the year 1995-96. When the Liberals were in government in 1982-83 the total debt was $167 billion. Six years later, the total debt has almost more than doubled.

Telling the public that we want to reduce the deficit is a very nice thing to do. However, doing something about it is something else.

• (1250)

In my view, if the government is really serious about reducing the deficit, it should focus on investing in the future of Canadians. Rather than cutting services, attacking the Public Service, smashing the infrastructure of national institutions that we pride ourselves on, the government should focus on investment. Like anything else in a democracy, in a country where we have the freedom of choice, the freedom to to invest and make money, the government should follow its own philosophy by investing. That investment is in the future of Canadians and our youth.

Mr. Speaker, you will be somewhat disappointed to learn that, more than anything else in Canada, we have a human resource deficit. Right now approximately 38 per cent of Canadians, or four out of every 10, have some difficulty reading or writing in either one of the two official languages. In my view, that is a deficit. Approximately one out of every three youths drop out before he or she finishes high school. That is a deficit. The productivity of the labour force in Canada, compared to other industrial countries, ranks right at the bottom. That is a deficit.

Those are the kinds of things the government should be looking at if the government is really serious about deficit reduction.

The shocking thing is the literacy level. Unless you have a literate workforce and a literate population, there is no hope. You can buy the best technology in the world and put it in the industrial sector, but if you do not have a labour force that is capable of using it and utilizing it, there is no point.

In June 1991, I sponsored a forum that many of my colleagues attended. We brought in representatives from government, labour, business and the educational sector. In fact, we had 122 representatives here on Parliament Hill in Room 200 West Block. The theme of the event was a partnership between the public and the private sectors to attack the question of literacy.

I would like to share with the House and with Canadians some of the recommendations that came out of that forum on literacy. I would hope that the government would take these recommendations, which I am going to put on the record, look at them one by one and implement them. In that way, we could deal with our human deficit and perhaps address the budget deficit.

First, those people who attended the forum recommended that the federal government's role should be one of leadership as it steps up its emphasis on education through public policy avenues.

Second, it recommended that the federal government should establish a national strategy on literacy to include a policy, a national education minimum standard and a national awareness program and campaign, something which the government is not doing.

The government should encourage employers and union investment in training for workers. It was suggested that the recipients of social welfare benefits should be encouraged and be given incentives to upgrade their literacy skills.

The government, among other things, while it is levying taxes day and night, should consider a training tax, providing business with an incentive to provide literacy training. It was suggested that a national registry should be set up to consolidate resources, grants and contact persons in relation to literacy programs, projects and other activities.

It was also suggested that the federal government should encourage the provinces to carry out a complete revision of their school systems, their education objectives and their curricula to arrest the literacy problem and to prevent its perpetuation.

Also, Mr. Speaker, it was suggested that a monitoring mechanism should be developed to police federal transfer payments for education. When the federal government gives money to the provinces for post-secondary education, the provincial government should not be allowed to spend that money on building roads, bridges or on other programs, something which is not happening now.

The federal government should consider establishing both a mobile education system that transcends provincial boundaries and a federal ministry of education to oversee federal involvement in education.

It is also suggested that national education standards be developed and include, among other things, notes of excellence. More than anything, it suggested that the federal government should set up immediately a national task force to look at the question of literacy and education in Canada.

These are some of the recommendations that came out of the forum. The government should look at them very closely and address each one individually.

There were recommendations for business. It was suggested that business also should promote literacy by building the self-esteem of workers and by providing incentives.

It was suggested that businesses should establish more co-operative and liaison programs with schools, and and that business should help promote literacy awareness by sponsoring media-based educational campaigns.

That magnificent group of people recommended that the media have a role to play. It suggested that the media and Canadian Radio-Television and Telecommunications Commission should not only support initiatives to promote literacy awareness, but also take a leading role in devising a national advertising campaign aimed at fighting illiteracy.

Our society as a whole must recognize that literacy is a basic human right. We must examine or redefine our technology and attitude when we talk about people who have literacy problems. We should set a goal to at least reduce by half the number of those who need literacy training, who are either in or have completed remedial programs by the year 2000.

These are recommendations that came out of the literacy forum 1991. The government is at liberty to look at them. I will be more than happy to provide members with a complete report.

The reason why I moved a little off the topic is to let the government know the problem is there as a result of lack of investment. If the government is really serious about reducing the deficit, it should move forward and invest in the future of Canadians. It should not just throw on the table some sort of a gimmick called "deficit reduction account". I am not buying it, my constituents are not buying it and the people of Canada are not buying these kinds of proposals because they do not make any kind of sense whatsoever.

One thing which bothers me in this proposal is the fact that it wants to put into this account all the gifts that are given to the Crown. There are organizations out there, especially charitable organizations, that benefit from people's contributions. We are going to see the government competing with charitable organizations for the same dollar. Rather than John giving his $15, $50 or $100 to the United Way the government will be saying to him: "Look, you have another option. Put it toward deficit reduction." What a shameful way for the government to proceed with its proposal.

I could go on and speak about this subject for a long, long time. I want to see this bill going to committee so that special interest groups and my colleagues will have a chance to make amendments and suggestions.

• (1300)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to say that it is a solid thing that the member for Ottawa Centre continues to bring to the attention of the House the fact that we have a serious illiteracy problem in this country. That brings to my mind the fact that this bill is basically a smoke and mirrors bill.

When we started off talking about the goods and services tax in this House, the government put forward the premise that this was going to be a revenue neutral tax. We now know, after almost a year's implementation of this bill, that it has been a massive tax grab.

Who has suffered the most? We have approximately 2 million people in this country who are out of work. As we are going through this period of restructuring, with that number of people out of work, and the government always talking about competitiveness, it seems to me that this would be a perfect opportunity to pick up on the point of the hon. member for Ottawa Centre, where we get into skills development. If we are going to become world class competitors, we need to have the basic skills of reading and writing.

If foreign companies are going to invest in this country, what is the first thing they do? They look at the labour force. Right now the labour force in this country needs help. We need skills development training. We need help. The Frontier Colleges of the world—I cite Frontier College because it is from my home town, Toronto—are constantly in need of funds.

Here is the irony of this whole situation. We have this debt reduction fund which does not make any sense. It should be going into the general revenue fund because it is all the same balance sheet. Why the government, when there are 2 million people unemployed, would not take this excess from the GST and put it into skills development, put it into a major attack on illiteracy in this country, I cannot figure it out.

My question for the hon. member for Ottawa Centre is simply this. Does he not think that taking the excess from the GST and putting it into skills development/illiteracy fund would be a much better investment in the human capital of this country which would ultimately create an international opportunity for foreign capital to come here, which would ultimately reduce the deficit and debt and interest rates? I believe that if we are going to reduce the deficit and debt of this country, we have to show that we have an intelligent skilled workforce. Right now we have 2 million unemployed, many of them sitting at home doing nothing.

My question to my colleague is: Does he not think that would be a better use of the funds that are in excess from the GST?

Mr. Harb: Mr. Speaker, I want to thank my colleague from Broadview—Greenwood for his excellent intervention. Certainly he always has the right ideas at the right time. I think it is an opportune time for the government to be listening, especially in light of the fact that it is going through this constitutional debate across Canada.

Yes, he is absolutely right. That money would be better spent if it were invested in the future of Canadians, into the labour force and into training and retaining of our workers. Of course, there is no question about it.

He is saying this because he knows about Siemens, which is a well recognized company internationally, with a great reputation and a leading industry. The president or somebody from Siemens was saying that they have concerns about our ability as a society to provide the necessary workforce in order to support their industry.

Of course, this is one company, but there are thousands of other companies that might not even speak out publicly. But they might quietly decide to move elsewhere. Yes, this account should have been called an investment account in the future of Canadians. While the government is looking and addressing the question of the Constitution, I think the public should note that one of the things the government is considering is in fact abandoning its role in the area of employment training. I think that is extremely dangerous in light of the fact that there is a lack of leadership—

An hon. member: No national standards.

Mr. Harb: Absolutely. There is a lack of leadership in the area of training and retraining of employees and workers across Canada.

I just want to give one example of the shameful state of our education system. When a student goes to university in Newfoundland and he or she wants to move to a university in British Columbia, he or she cannot

even get the equivalent credit for their courses because of the lack of co-operation between the provinces in the area of education. It is no different when it comes to the mobility of the workforce, because between different provinces as it is right now, there is no free trade when it comes to the mobility of the work force.

Of course, my friend and my colleague is dead on in his suggestion.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, let me at the outset congratulate you on the fair, temperate and judicious manner in which you are conducting the business of the House in the chair. You truly, sir, are an ornament in this Chamber.

Having said that, let me just very briefly set out the two main reasons why I cannot support this wretched little bill. The first reason is that it is a sleight of hand. It is a joke. It is a joke on the Canadian taxpayers to say that we are going to take this excess from the GST and somehow dedicate it to payments that would be made regardless.

If I may draw a brief analogy. Let us say for a moment that I am owed money for the regular provision of labour from Jill, Judy and Jocelyn and I owe money for the goods I purchase that enables me to do the labour for which I am paid. I owe money to Sarah, Sandy and Samantha. It does not matter from which of Judy, Jill or Jocelyn I receive the money. It does not matter which pocket I put it in, I still eventually have to pay money out to Sarah, Sandy and Samantha. Now, I can if I wish, I suppose, say all right, all the money I get from Jill I am going to transfer straight over to Sarah and that somehow that makes that money different and special. But it does not, Mr. Speaker, because even if I was receiving no money from Jill, I would still have to pay Sarah. For that purpose I would simply have to draw on the funds I received from Judy and Jocelyn.

For the government to hold that this bill will set up a regime in which the treatment of the moneys received by the imposition of the GST is special or separate or distinct or in any way other than simply the transfer of funds that would be transferred anyhow is, to be charitable, Mr. Speaker, modestly deceptive.

The second reason I oppose this bill is in fact the more important. I oppose the GST. I have opposed the GST since it was first suggested. I fought against the GST in Edmonton and in the standing committee. I remain resolutely opposed to the GST. It is the wrong tax. It is an unfair tax. It is a discriminatory tax. It is not a tax on which any fair minded government would rely for the raising of revenues.

And yet, this bill presupposes the existence of the GST. For that reason, principally, I cannot support it. I would note that in this regard the government seems to be taking a leap straight out of Reform Party policy. I am quoting now from policy resolution No. 20 passed at the Reform Party's annual national convention earlier this year which reads: "Resolved that the Reform Party support the establishment of a debt retirement fund to which all revenue raised by the GST or proceeds from the sales of Crown assets could be applied rather than being included in the federal government's budgetary process".

• (1310)

Of course, the Reform Party in passing that resolution was engaged in exactly the same sleight of hand that characterizes the government's legislation now. But it is interesting, I submit, to note that the Reform Party did pass this motion explicitly, in my opinion, approving the collection of the GST thereby.

I say this only to note that although the Reform Party at the time of its introduction and passage spoke vigorously against the GST, it seems now to have accepted it and indeed to encourage its collection for the purposes set out in its resolutions.

I would close by noted that the introduction of this bill by the government has affected at least one major service for the Canadian people, and that is that it now is clear which parties support the collection of the GST and which do not. That means that the New Democratic Party is now the only party that is unequivocally, irrevocably opposed to the GST.

The Acting Speaker (Mr. Prud'homme): As I said earlier, there are no more questions and comments. Therefore, the next speaker is the hon. member for Dartmouth.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I want to compliment you on what you have brought to this House. I think you have been extremely fair. It is a pleasure to see you in the chair. You should be there

much more often. Perhaps we can do something about that.

I rise today to give 10 minutes of debate on this piece of legislation, but before I do that, I want to correct the record. The previous speaker from the New Democratic Party, as New Democrats always do, like to try to make the people believe that they are holier than thou, they are the only party, the only people in the world who care about taxation, they are the only group that cares about the poor and the disadvantaged, they are the only people who have all of the answers. We see this time and time again in this House. I would just like to make it clear that the Liberal Party has always opposed the regressive goods and services tax and it is the Liberal Party that is looking for meaningful ways of real tax reform.

I want to mention something to you, Mr. Speaker. These members opposite who are always good for getting up and saying "I, I, I, I, I" should have a little read of some publications from my hon. member for Broadview—Greenwood who has put considerable time and effort into putting forward some proposals for true tax reform.

You will all recall that the goods and services tax was phase two of tax reform. It was supposed to make us all much better Canadians and we were supposed to be jumping up and down. We were to be so happy with this tax reform because it was going to be fair, it was going to be equitable, it was going to be revenue neutral and it was going to be harmonized so there would only be one tax. All those things that this government misled the people of Canada into believing would be in phase two of tax reform went down in flames when we saw the GST legislation.

My hon. colleague for Broadview—Greenwood has spent a considerable amount of time talking to people in our party and in other parties and people across the country. He has sought the advice of experts. He has paid a lot of money out of his own pocket because he believes, as do the people in the Liberal Party, the members here, that what Canada needs to get this economy going again, that what Canada needs to collectively get over the psychosis about language, culture, east and west, centre and north, is finding some way to turn on Canadians. The way that you do that is not by coming in with a goods and services tax, the way that you do it is not by causing a recession, the way that you do not do it is by coming in and ripping apart your social programs. It is by giving them jobs, by making sure that the economy is strong and by putting fairness and equity into the tax system.

I want to tell my hon. friends opposite to the left of me, in the New Democratic Party, that my colleague from Broadview—Greenwood has put a proposal together which is exciting, which is positive, which is reform-minded and which would do all those things that my hon. colleagues to the left could never even dream of doing collectively and that my hon. colleagues opposite in the government just do not have the will to do.

Bill C-21, this debt reduction bill, is a farce. It is an absolute farce. Every time I hear about the GST it sounds like *The Lies My Father Told Me*. Mr. Speaker, do you remember that play and that movie?

It is almost the same as dealing with statements by the Minister of Finance. He told Canadians that it was going to be revenue neutral. He said it would be fair. He said it would be equitable. He said it was going to be all these wonderful things. Every single thing the Minister of Finance told us about the GST—guess what—did not turn out to be factual, did not turn out to be the way it really was.

We find out that the GST, which was supposed to be revenue neutral, is going to be a cash cow. It is going to be milking money out of every senior citizen's pocket across Canada. The two million unemployed my colleague mentioned still have to pay the GST, and the one million children who live below poverty are going to be nailed by this regressive tax.

When the government gig was finally up the Canadian people said: "We don't believe a word you are telling us about this tax". The government said: "Oh, boy, we have to do something; they are on to us. Let's get the legal drafters in from Finance, the same people who used to do Mr. Wilson's speeches. They were pretty good at making things real fuzzy when it came to finances and putting proposals forward to the Canadian public". Do you know what the government did? It came up with a bill that is a sham. It is smoke and mirrors. It is the worst kind of deception to put before the people of Canada.

The national debt has more than doubled in seven years because of the mismanagement of the Conservative government at a time of record revenues. Revenues increased more than we have ever seen because the government continued to raise taxes, but it doubled the deficit during a time of record revenues. It doesn't take a rocket scientist to figure out that is bad fiscal management. If revenues increase and the debt increases it means the government is spending like a drunken sailor. I say that with all respect to sailors across the country; I

don't really like to lump them in with the Tories. I have more respect for them than that.

What has happened here is that the Tories said: "Okay, fine, we now have to pay about $40 or $45 billion a year just to service the debt". They said: "Boy, the GST is doing what we always meant it to do before the Canadian people found out what we meant. It is going to raise more revenue, a couple of billion dollars more". The Tories need a slush fund to go into the next campaign with, rather than say: "We are going to create a fund. If there is $3 billion more collected by the regressive, awful, terrible GST—which is a sop on Canadian taxpayers' wallets—than by the tax it replaced, the manufacturers' sales tax, we will take that $3 billion and not just pay $40 billion in interest charges on the debt. We will take the $3 billion more which we have to pay anyway—it is all in the same pot—and apply it against the debt".

That is not what this bill does. That is what they are trying to tell Canadians, as they try to make everything a little fuzzy around here. They are trying to fool Canadians into believing that any excess revenue from the GST is going to be applied against the debt. Simply not true. It is false, f-a-l-s-e; false, not truthful. If the members opposite would be honest with themselves and their constituents they would tell them that.

If the GST raises an extra $4 or $5 or $10 billion there will not be an extra $4 or $5 or $10 billion applied against the debt. No, sir, Mr. Speaker. It is going to go into a little fund to re-elect Tories. That is exactly what they are going to do over there.

They are going to create a fund and try to buy Canadians again, this time with their own money, this time after the fleecing they have just given the Canadian public in squeezing those extra $5 or $6 billion from seniors and individuals on fixed incomes, single parent families, and even from children.

In principle, we support this type of an initiative. However, we want to see the government come clean with Canadians. If it is going to raise more money then put it in the bill that it is going to collect $3 billion more from the GST than the FST, the federal sales tax it replaced. Why not put it right in the bill? Then the government will take that and put it right on top. If the government does that, it will certainly have the support of the Liberal party. When the Liberal government takes over there will not be any smoke and mirrors in dealing with the taxpayers' dollars because we will facilitate real, meaningful, fair tax reform, the type of tax reform which my colleague from Broadview—Greenwood has spent so much of his time and talents in putting before the Canadian people.

• (1320)

Mr. Phillip Edmonston (Chambly): Mr. Speaker, when we are talking about the GST and I hear my Liberal colleagues, I feel that my reportorial skills are challenged to follow them. I listened to what the leader of the Liberals said during his leadership campaign about the GST. He said he would tinker with it, he would modify it, he would look at it. Not one time did he say—I stand to be corrected— that he would abolish it. That was the Liberal leader.

The New Democratic Party has one position. We have always had one position. We feel that the GST is wrong. We feel that there is need for fiscal reform and we feel this should be abolished.

If I can have the same quiet, attentive reaction from my colleagues as we on this side try to give them, I will try to explain myself.

As the GST was not visible, not fair and mainly because it was misrepresented to consumers and Canadians across this country we, as a party, said we would abolish it.

That does not mean that everything the hon. member said is not factual. As a matter of fact, I would agree that one of his own members has presented a very interesting paper on fiscal reform, a very interesting paper on tax reform. I am surprised that the party, as far as I have seen, has not given it even greater credibility.

Rather than pointing fingers at each other and saying: "You did not do this, or you did that, or you are not correct in your actions", we should look at some constructive proposals. They are around. There have been a number of constructive proposals but the GST is not one of them.

My colleagues from Quebec would agree with me.

[*Translation*]

I am quite sure that Conservative and Liberal members from Quebec will agree with me that Quebecers are against the GST, the majority of them are against the GST. This is one of the reasons why hon. members, especially those on the government side, will have pots of problems.

Mr. Speaker, what I am trying to say is that the public, in its majority, is against the GST, against that type of practice. The present problem is that we are faced with a bill which tries to make us believe that the GST will be solely used to reduce the deficit. The government is constantly claiming that it has no more money, that the cupboard is bare.

An hon. member: This is true.

Mr. Edmonston: The hon. member say it's true. In that case, how could you find— I have a good question for you—

The Acting Speaker (Mr. Prud'homme): Would the hon. member address his comments to the Chair as the Standing Orders require.

Mr. Edmonston: You are right, Mr. Speaker. The problem is that when people are asking me interesting questions I am tempted to answer directly. From now on, I will do so through you.

I think that the money that we are going to collect through the GST is going into some kind of slush fund, a type of fund severely criticized by the hon. member from the Liberal party, who is probably very knowledgeable in terms of slush funds. Because indeed it is common practice in Canada, and if the Conservatives are doing it, it is because the Liberals have perfected the way of collecting money and spending it just before an election.

I could talk about the past, about some people, senators now, who were masters at this kind of fund raising.

Mr. Speaker, I think this bill continues a long tradition which is to try and make Canadians believe that we are doing something, that we are paying our debts. The government is trying to make us believe that it is doing one thing when, in reality, it is doing something entirely different.

I can tell you, Mr. Speaker, that this is something which is very difficult to accept because in Quebec we know that the money we are going to pay as GST is not going to help reduce the deficit. We have seen the government give away $250 million, while saying that the cupboard was bare, just before an election was called in British Columbia. It found $250 million to inject in a scientific program that federal scientists themselves denounced as a black hole. This is serious!

How are people from Quebec—

An hon. member: This is cynical!

Mr. Edmonston: Yes, of course it is cynical, but this is really— I think that people in Quebec and every Canadian are asking themselves how the government can argue it does not have any money when it is able to find $250 million the day an election is called in British Columbia? And I am expecting the same in Saskatchewan. And again just before the next federal election is called. The government is pretending it does not have any money. There is the GST, all the money produced by the GST, it does not recognize it yet, but don't worry the money will be spent one day.

To conclude, Mr. Speaker, I say we must vote against this bill which is not clear at all. This is not a bill which will really contribute to a reduction of the debt. I think it is essential to reduce the deficit and there is an easy way to do it. You know what it is?

An hon. member: Raising taxes!

Mr. Edmonston: No, no, Mr. Speaker, not raising taxes. Not at all. The way to reduce the deficit now, Mr. Speaker, is to reduce government's spending.

I am wondering. While civil servants are ready to go on strike again because they have come to distrust this government, this same government is prepared to give millions of dollars to its most senior employees, the mandarins of the civil service, the crème de la crème in Ottawa. It is giving out a lot of money—

Some hon. members: That is not true!

Mr. Edmonston: Mr. Speaker, some hon. members say it is not true. They should read the papers. All members opposite have to do is listen to government members, Mr. Speaker. It is true that they contradict each other a lot, but still, Mr. Speaker, government expenditures have to be cut.

Now, as I guy from Quebec, I can tell you that I notice a great deal of overlapping between jurisdictions. I could never figure out why we needed 40 departments. The number of departments has doubled. Yet, I am sure that the people of Canada and the people of Quebec are not better served today than they were 20 years ago. In fact, I would say that we Canadians and Quebecers are not served as well with 40 departments than we were a while back with just half that number.

I for one do not believe in big government. Humongous expenditures and deficit reduction do not go hand in hand. That is what Quebec has been trying to do for a long time, and it is not alone. All the provinces are talking about the same thing. They are talking about a problem which this government, has, that is, to face reality. There is a double reality at this time. First, throughout the country, people have had it, they are fed up. As we say in French: "they have had their trip".

• (1330)

Mr. Speaker, by that I do not mean that the Canadian people want to go on a trip.

[*English*]

I am not saying that they want to take a trip. They would prefer to see this government take a trip, permanently, because it has done the thing that the Prime Minister said he would do.

The Prime Minister said that this government would bring people together. It would bring its interests together, and it has.

Do you know in what way? Practically everybody now distrusts this government, and that is the reality. The other reality is we only have to endure it for maybe another 15 or 18 months and there will be a major change.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, they say things will improve, but what can you say in ten minutes? Nevertheless, I will try to clarify a few points.

But first of all, Mr. Speaker, my congratulations. I am delighted to see my hon. friend from Saint-Denis in the chair today. He is the senior member of this House, and I don't see why he is not in the chair on a permanent basis. I say this with all due respect for the current Speaker. They are both gentlemen worthy of our esteem.

Mr. Speaker, the bill before us today has been called a smoke screen. That may well be. In any case, this legislation is cosmetic, because it does not alter the fact that we have a national debt of about $400 billion by the end of the year and that we have to pay our debts at interest rates that are sometimes kept under control by the government but sometimes may be very high, with as a result, annual interest charges of 30 to 40 billion dollars. That is a lot of money.

Mr. Speaker, I say this legislation is probably cosmetic because it does nothing to alter the fact that Canadians are the most heavily taxed people in the world. It will not alter the fact that we have a government that may not be as good at running the country as we would like it to be and which in a budget it brought down—in February 26, if I am not mistaken—announced that it would introduce legislation—Bill C-21 before the House today—which would create a fund within the Public Accounts, a new account to which certain revenues would be credited and from which certain expenditures would be debited.

I dont't know whether my wife is listening, but suppose that to pay the mortgage on our house, we had a bank account called "mortgage payments", but we still have the same income, and suppose she deposited a certain amount of money every month in this "mortgage reduction" account. After a few months, the mortgage company or the bank would call her up and say: "Where is the money you owe us in mortgage payments, Mrs. Gauthier?" She would answer: "Well, I have a nice new account called "mortgage reduction" and it's in my bank account". He would probably say: "Will you please send it over, Mrs. Gauthier?"

That is what I mean by smoke screen and cosmetic legislation. This is a measure that does not entirely satisfy Canadians because they were led to believe that GST revenues would be sufficient to pay off the national debt. That is absolutely false, Mr. Speaker!

It is also a measure the right wing of the Conservative Party likes to promote, since their policy is to have Canadians believe, through different book-keeping practices, that we are solving our main national problem, the debt.

Mr. Speaker, of course, this would be a good initiative if the government had additional sources of revenues. But, as I said earlier, we are one of the most taxed nations.

Last summer, I went door to door to meet the people in my riding of Ottawa—Vanier. My constituents were not interested in talking about the Constitution or the environment. They said to me: "Mr. Gauthier, can you tell us how come our income and our purchasing power have gone down with all these damn taxes we have been subjected to the last few years? " It is not easy, Mr. Speaker, for ordinary Canadians to understand why the rich, who earn $100,000, are getting richer, while the poor are getting poorer. Mr. Speaker, the middle class is sick of being taxed by this government.

Therefore, this bill is a fraud. I will vote against it, not because there is no rationale for this bill or because it could not be accepted if we had sources of additional revenues but because we are overburdened with taxes and overtaxed on the national level, Mr. Speaker. I think this bill is simply intended to mislead Canadians, a kind of account introduced into the public accounts, an account that does not mean much, an account, as I said a moment ago, that will not satisfy Canadians.

Mr. Speaker, I would just like to outline the effects of that legislation. We hear about the revenues of the GST and of gifts that Canadians would give to the federal government, and I even have correspondence from the minister of Supply and Services explaining to us what we should answer Canadians who want to make gifts into this account and to the government.

Here is what it says: "Finance Department—Explanation." As was announced in the February 1991 Budget, the Bill would guarantee the following: 1) The revenue from the Goods and Services Tax, the GST, as well as the net profit from the sale of Crown corporations and contributions made by taxpayers and companies will be paid into the Debt Servicing and Reduction Account. 2) These revenues will be used for the servicing of the debt and, as they grow, for the reduction of the debt outstanding. 3) The account will be examined annually by the Auditor General.

Mr. Speaker, that is the aim of this legislation. There is no mention in there about other revenues. Mr. Speaker, there is nothing in there about a solution to the national problem of a debt that is too high, a debt which will be a burden for our children and our grandchildren.

[*English*]

I just want to end my comments because there is not much one can say once one has said that this is a smoke screen. It is a measure that does not affect the annual deficit.

I want to read from a Library of Parliament research office document—it is not mine—because I think it is quite eloquent:

> The annual deficit, and therefore the annual change in the net debt position of the government, is determined by total revenues and total spending. This bill would control neither element. This bill and legislation to be introduced in the future to control program spending would ensure that higher GST revenues could not be used to fund exceptionally high program spending growth.

Some people in this House believe, with an election coming hopefully in 1992 as it rightfully should after the government being four years in power, it should be going to the people for reconfirming its status. Some of us believe strongly this government is getting ready to have a slush fund for political partisan purposes. We object to that and we will vote against it.

• (1340)

[*Translation*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, thank you for having pronounced well the name of my riding.

I rise today to take part in the debate of Bill C-21 on second reading. Second reading is the stage when we discuss the principle of a bill. We have today before us an Act relating to the accounting of certain payments for the servicing and reduction of the debt of Canada. If the purpose of this bill is to establish an account to reduce the deficit of Canada, I think Canadians as a whole agree with the principle of deficit reduction. I am one of those Canadians; I acknowledge that the current deficit and the debt created by a series of deficits are far too high and have to be reduced.

One of the priorities of this government and the next governments is to try to reduce the deficit and the debt. I have no objection with this principle. But there is another principle even more important, the credibility principle. The Minister of Finance and his predecessor know that governments need a minimum of credibility to be able to manage the economy properly. It is most important for the Minister of Finance and other ministers with economic portfolios if they are to manage our

economy, mainly at the macroeconomic level, using the instruments available to them, particularly the government budget.

That is the principle which I want to discuss over the next few minutes, Mr. Speaker. I want to talk about the fact that the government, particularly the Minister of Finance, has decided to introduce this bill seven years into its mandate, after having doubled our national debt, after having maintained the annual deficit at about the same level, right in the middle of a recession, contrary to promises and commitments it made at the beginning of its first mandate. Canada's economy was experiencing growth and was even overheating for a certain period of time, just before the last elections.

This government, which has doubled the debt after promising to reduce it, has lost all credibility. To realize that, one only has to read what economic columnists say and look at the recent economic history of Canada. Just before the last election, when the government should have put the brakes on spending and on the growth of the money supply, for which the Governor of the Bank of Canada is responsible, so as to restrain inflationary pressures, the government did the opposite. The Minister of Finance, who was so conscious of his credibility as a prudent manager of the Canadian economy, did exactly the opposite of what he should have done before the election. Mr. Speaker, this led to higher inflation just after the election, another surge in prices. After the election, the Minister of Finance told us that we were in a crisis, we had to put on the brakes, restrain spending, increase taxes, because the economy was going into recession. That is what happened, Mr. Speaker.

Now, how can a finance minister claim to have credibility if he does exactly the opposite of what an economic manager should do?

I am now coming to the goods and services tax. If the finance minister had had the courage before the election to tell us that the goods and services tax would be an incredible source of revenue, that it would bring all kinds of money in to the government, which would use these funds to reduce Canada's debt, if the government had had the courage before the last election to be frank with Canadians, maybe we on this side of the House would have been prepared to accept the principle of the goods and services tax that the government later imposed on us.

I will conclude in a minute or two, Mr. Speaker, but I would like to quote a source that the government opposite should know and should keep in mind about what I am saying. It confirms what I have just said. This confirmation comes from the OECD.

[*English*]

—in English, it is the Organization for Economic Co–operation and Development.

Last week the Organization for Economic Co–operation and Development gave this government a failing grade in its management of the Canadian deficit. It basically said exactly what I have just stated, that the government started off in its early years dealing with the deficit. Then it threw all caution to the winds.

We are now in the recession which this government created through its mismanagement of the economy and through its willingness to expand expenditures just before the election, to essentially buy the last election.

No wonder on this side of the House we are suspicious that that is exactly the intention of the government with this particular account. While we support the principle of using an account to reduce the deficit, we are extremely suspicious of the government's intentions since, in the past, its credibility has been so severely tarnished.

We will be studying this in committee, and we will want to tighten this legislation. We will want to make amendments to this to make sure that this government cannot weasel out of its commitments just before the next election.

• (1350)

Ms. Mary Clancy (Halifax): Mr. Speaker, I do not know how many times my colleagues and I have risen to speak against the GST. I do not know how many voices have been raised in this House against a tax grab, an unfair tax, a hidden tax, a tax that attacks the people of Canada.

In my riding, Mr. Speaker, the feeling against the GST is hostile, widespread and ongoing. One might even say the feeling can be measured in exactly the same manner as the feeling in my riding against the government.

When I fly home to Halifax, I take a cab from the airport into the city. My taxi driver, who has been driving a taxi in the Halifax area for over 30 years, reminds me every single time I get in his cab that it is the issue which is breaking his back, and it is the issue, along with government policy that is wreaking havoc with his life economically and every other way.

Mr. Speaker, this debt reduction bill we are being asked to consider today is nothing more than smoke and mirrors. Why does the government have a debt this size? Why has the deficit doubled since these people took office? Why? Because they do not know how to properly manage the economy.

An hon. member: That is right.

Mr. Milliken: They could not manage a lemonade stand.

Ms Clancy: I am sure, as my hon. friend from Kingston and the Islands says, they could not manage a lemonade stand.

An hon. member: I have not contributed a nickel to the debt.

Ms Clancy: I am sure you have not, and you will not either. Somebody will have to pay it, but it will not be the hon. member from Alberta.

It is amazing, Mr. Speaker, how the truth hurts. It hurts, but it also rouses the people on the other side from their torpor, from their—dare I say it—stupor. The hon. members sitting there in their Friday afternoon rest period suddenly come alive to the fact that somebody is standing up and taking them to task and calling them to account for their grotesque mismanagement of the financial affairs of this country.

I have been accused on many occasions of being a partisan member of this House.

An hon. member: Unjustly. Unjustly.

Ms Clancy: Mr. Speaker, I wear the label "partisan" proudly. I was born into this party, my parents—at least my mother—was born into this party, my grandfather was born into this party and so on. I come from a proud tradition of liberalism in Atlantic Canada.

An hon. member: If you thought for yourself you would be a New Democrat.

Ms Clancy: No, I would never be a New Democrat. We are practical people. One of the reasons I am proud of that heritage is because it is a heritage that mixes practicality—as I just mentioned to my hon. friend from Windsor—with compassion.

You did not inherit the other 50 per cent of the deficit, my friend from Ontario says. No, they doubled it. I believe it is doubled but it may be bigger than that by now. My friend from Kingston and the Islands knows the answer. But it has more than doubled, I believe, in the last seven years. Creative mathematics is a strong point on the other side, unfortunately creative management is not.

Mr. Speaker, when we talk, and talk quite seriously about mixing practicality and compassion, we talk about a tradition of which the majority of Canadians approves. Canadians do not believe that you settle your financial problems on the backs of those least able to take care of it.

An hon. member: Right on.

Ms Clancy: They do not believe that the poor and the sick and the needy, that those who are unable to help themselves, should have to bear the burdens this government is placing upon them.

When I was first elected in 1988 and came to this House, I have to admit I had certain prejudices that Atlantic Canadians carry. We tend to think, wrongly, that we are the only area of the country to really understand poverty, unemployment and suffering. Sadly I have learned in the nearly three years that I have had the privilege to sit in this House that that is not the case. There are poor people in Ontario. There are poor people in Quebec and poor people in western Canada. I am not sure whether there are poor people in Newmarket or not. But there are poor people outside of Atlantic Canada.

In every region, in every province, in all of the territories of this country it is necessary to ensure that programs are available that are compassionate, that speak to the people and say your government cares.

At the same time those programs and government policy must speak to the poor, the middle class, the wealthy and say: "We care, but we are responsible as well. We will bring you good government so that not only will you be able to have a decent life, but your children will have a decent life as well".

Right now in this country the biggest fear for the largest number of people is: "I might be hanging on today, but what is going to happen tomorrow and tomorrow and tomorrow"?

This government has lost its compassion, if it ever had any. But most particularly this government has lost any appearance of competence in learning how to manage and pay off its debt and its deficit. This debt reduction bill is a magician's sleight of hand, perpetrated on the people of Canada. It is not going to do anything. It is not going to significantly reduce the debt.

Mr. Mills: More paperwork.

Ms. Clancy: The hon. member for Broadview—Greenwood says: "More paperwork", and he is absolutely right. Perhaps, if the government took a leaf from the hon. member for Broadview—Greenwood's book, and talked about things like flat taxes and fairness to Canadians, it might be in a better position than it is in today. However, that would take a certain level of comprehension as to what the whole problem is about. Unfortunately, it appears that level of comprehension is sadly lacking in the government benches.

I began and I end with the same plea, that compassion and practicality have served this country well in past governments and they will serve this country well in future governments. I say to this government that the GST is not the answer to debt reduction in this country. I further say that it well knows that the GST is not the answer to debt reduction in this country. I further fear that this government does not have a clue as to what the actual answer to debt reduction in this country might be.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, we have before us this Friday afternoon Bill C-21, and as with all bills at second reading, we are talking about the principle of the bill.

The people of Scarborough West, being a practical people, want to know what the principle of any bill is that is taking up the time of the House of Commons.

Of course, the first question one has to ask is: Why is the bill before us? What is the genesis, what is the *raison d'être* of having this bill before us? For that, we have to take a little bit of an historical journey and it begins with the government's desire to impose the goods and services tax on the people of Canada.

Everyone in this country will remember that time after time, in speech after speech, all we heard was that the goods and services tax was going to be revenue neutral and that the people of Canada understood revenue neutral. For example, if the manufacturers' sales tax was, in fact, bringing in $18 billion a year, the GST, this marvellous replacement would bring in $18 billion a year. Therefore, there would be no increase in tax. So went the logic. Indeed, it would be revenue neutral. In fact, the people of Canada would not be paying more than they had paid under the antiquated old system. This litany was repeated virtually daily until finally the goods and services tax, despite the will of the vast majority of Canadians, was imposed on Canadians. Of course, what became very clear very quickly was how absolutely and categorically false the claim of revenue neutrality turned out to be.

• (1400)

We very quickly saw shortly after the imposition of the GST that indeed the tax was not revenue neutral and that it was going to develop hundreds of millions of dollars and, indeed, billions of dollars in extra tax revenue.

Now, not surprisingly, the people of Canada, who were vastly opposed to the goods and services tax, got even angrier when they found this out. Not only did they have to accept this unfair tax, not only did they have to swallow it and pay it, but what was told to them, that it would be revenue neutral, was categorically false.

They continued to complain. They did not just complain to the opposition members of Parliament, they obviously and clearly complained to the members on the government side who no doubt heard an earfull. They saw thousands upon thousands of petitions signed by hundreds of thousands of people. They saw what happened to the government of this country, and to the other place, as a result of the goods and services tax. Then they saw that what it had said all along to justify the goods and services tax was a big lie and that it could not be justified on the basis of revenue neutrality.

What to do, then, in order to regain face with the people of Canada? Well, we know that Canadians are

prepared to carry their weight. We know that Canadians want to reduce the debt. They know that if they have to tighten our belts, and it is going to result in some meaningful debt reduction, they are prepared to do it.

Lo and behold, instead of admitting that: "Yes, we were wrong. We told you incorrect information knowing it to be incorrect information time and time again. No, the tax is not going to be revenue neutral. It is going to bring in lots of money.", the government comes up with this debt reduction. I will call it the correct name, the debt servicing and reduction account.

What is supposed to be put in there? It is supposed to be credited with revenues from the goods and services tax, net proceeds from the sale of Crown corporations and contributions from individuals or businesses. Well, the people of Scarborough West say: "Why Bill C-21?" The government knew all along that this tax was not going to be revenue neutral. Why did it not put the provisions of Bill C-21 in the goods and services tax legislation that it brought forward and have the forthrightness to tell the people of Canada the facts.

The government did not have that forthrightness and so now, in a further effort to sell an unpopular tax, it comes up with this so-called debt servicing and reduction account to take the revenues from the goods and services tax, which were not supposed to have excess revenues. The money that is going in here is money that was never supposed to have been collected, according to the government and the finance minister of the day.

All of this money that the government never should have collected, that it told Canadians would not be collected, that they would not be taxed on, the big lie is now being legitimized in this debt servicing and reduction account.

What are we to do on this side of the House? As a matter of principle, there are certain facts. It is a fact we have the goods and services tax whether we like it or not. Those who have watched the debates of this House know perfectly well how hard the Liberal Party fought in this House and in other places to defeat the goods and services tax. We do not take any lessons from the New Democratic Party on our fight against the goods and services tax. Everybody knows how hard we fought.

What do we do? The goods and services tax is a fact. Excess revenues are being collected. It is a fact. It is now admitted. What do we do with those excess revenues? Do we let them go into the consolidated revenue fund and let the government of the day spend them for the various projects it is spending them on to raise our national debt to over $400 billion and blame it on a party that has not been in power for seven years, which is its usual litany? Again the big lie. Or, do we say: "All right, let's grapple with the facts as they stand". We have to do something with that money, and Canadians say: "If we are going to pay this hated tax then let's see some benefit from it. Let's put it into a debt reduction fund and apply it to reducing the debt".

In principle this proposal makes sense, but I want this House and the people of Canada to remember the history of how we got here not in a straightforward manner but through the big lie and justifying the big lie with the so-called debt servicing reduction account.

When we get to committee we are going to want to make sure that this legislation is nailed down, air tight and waterproof, so that the amount collected, the excess revenues from the goods and services tax, is be used for nothing but what it was promised to be used for, that is the reduction of the debt. If that is not guaranteed then the government will not receive the support not only of the opposition but of the Canadian people for this scam to try and hide the big lie.

Mr. Langdon: I rise on a point of order, Mr. Speaker, that arises from the last two speeches in which the member for Halifax indicated she was against the legislation and this member has indicated he intends to vote for the legislation. Which is the actual Liberal position?

The Acting Speaker (Mr. Prud'homme): I regret this is debate. The member has participated. I must listen to the point of order of the gentleman before saying whether it is or it is not a point of order. I have to be fair and listen first. I definitely regret to say to the hon. member that he knows it is not a point of order.

Another member is rising on a point of order. I have no choice of course but to listen first to see if it is a point of order, and he probably knows already if it is one or not. However I will act promptly.

Mr. Wappel: Mr. Speaker, in the absence of the hon. member, my colleague from Halifax, the position of the Liberal Party is crystal clear and has been so stated by speaker after speaker. We are talking about the principle

of the bill which is a reduction of debt. Who can be opposed to that?

The Acting Speaker (Mr. Prud'homme): I am sure the House appreciates that debate. May I ask if the House, seeing no other speaker, is ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Prud'homme): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Prud'homme): All those in favour of the motion will please say yea.

Some hon. members: Yea.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to Legislative Committee F.

The Acting Speaker (Mr. Prud'homme): May I call it three o'clock?

Some hon. members: Agreed.

The Acting Speaker (Mr. Prud'homme): Therefore, it being three o'clock p.m., the House will now proceed to the consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

UKRAINIAN CANADIANS

REDRESS FOR INTERNMENT

Mr. Peter Milliken (Kingston and the Islands) moved:

That, in the opinion of this House, the government should:

(1) acknowledge that the internment, disenfranchisement and related repressive measures taken against Canadians of Ukrainian origin between 1914 and 1920 were unwarranted and unjust and contrary to the principles now adopted and reflected in our Charter of Rights and Freedoms;

(2) instruct Parks Canada to erect historical markers at each of the 26 concentration camps where Ukrainians were interned and undertake the archaeological restoration of the Castle Mountain internment camp in Banff National Park with a permanent historical educational exhibit; and

(3) undertake negotiations with the redress committee of the Civil Liberties Commission of the Ukrainian Canadian Congress on the question of redress to the community.

• (1410)

He said: Mr. Speaker, this is the first time I have had the privilege of winning a draw on Private Members' Business. I was delighted that my motion was drawn in the recent draw and that I can now present it to the House. I have a number of items on the Order Paper under the Private Members' Business section and I am pleased to at least have one come forward, even if it is for a brief debate. I had hoped that perhaps at the end of the hour the government might allow the motion to pass so that we could possibly see some government action in this particular area, which I know the government is, in fact, considering.

Many Canadians are unaware of the plight of the Ukrainian Canadians who were interned during World War I. In fact, when the war broke out, the government said that Canadian Ukrainians who had emigrated to Canada from the western Ukrainian territories of Galacia and Bukovyna, both of which were then part of the Austro–Hungarian Empire, were enemy aliens and they posed a threat to national security.

The government took the view that this threat required that these particular persons, who were in many cases Canadian citizens, ought to be interned and held in camps for the duration of the war. Accordingly, about 5,000 Ukrainian Canadians were in fact interned by the federal government in 26 camps that were located across Canada. One of those camps happened to be in my riding of Kingston and the Islands and was in the famous old fort there, Fort Henry, which was built some time in the middle of the 19th century.

Approximately 88,000 others, most of them Ukrainian Canadians, were forced to report regularly to local police and to internal security authorities, this, in spite of the fact that in many cases these persons posed absolutely no risk, security or otherwise, to the Canadian state.

I would like to read a quotation from a book written by Lubomyr Luciuk, a constituent of mine who is a professor at Queen's University in the Department of Geography. Mr. Luciuk is a well–known Canadian Ukrainian and a member of the committee that is seeking redress in

this case. He has written a little pamphlet called *A Time for Atonement*, subtitled *Canada's First National Internment Operations and the Ukrainian Canadians, 1914 to 1920*. I quote from his book at page 19:

> Upon each individual's arrest, whatever valuables they might have had were seized. Some of this confiscated money was stolen. As early as 1915, General Otter wrote that "difficulties have arisen in accounting for the moneys received".
>
> In his final report, he observed that as many of those interned were residents of Canada and possessed real estate and securities, etc., such have been turned over to the Custodian of Enemy Alien Properties for the future decision of the government.

Over $32,000 in cash was left in the Receiver General's office at the end of these internment operations. The estimated present day value is $1.5 million.

What the property, security and other valuables that were also confiscated might now be worth has yet to be calculated. The human costs of these internment operations are, of course, incalculable.

The internment went on for a considerable period, until 1920 in fact, but the internment was not the only problem that was faced by these citizens. In 1917, many members will recall that the government at the time passed the Wartime Elections Act which disenfranchised most Ukrainian Canadians as well as many others.

Members will recall that the vote was given to wives of men serving in the Armed Forces. It was also taken away from Canadians of German origin and other ethnic groups involved in the First World War on the other side.

It was not an Election Act of which Canadians can be proud. Frankly it was a national disgrace. The government rigged the elections very much in its favour so that it could win the 1917 election campaign which saw the Union Government—as it was then called—run and win the election in that year.

It paid for it in due course, as a historical footnote. In 1921 it was thrown out and replaced by a very sound administration under the very distinguished and capable William Lyon Mackenzie King.

In 1918, an already censored Ukrainian language press was closed down. This obviously was right near the end of the war. During the war Ukrainian Canadians were often maligned in regional and national newspapers. They were forced to work as poorly paid labourers in remote areas and were often relocated away from their homes and families.

Those imprisoned had their property confiscated, as I have already indicated. Some committed suicide while they were in prison and some were killed in unsuccessful escape attempts.

When the war ended, a large number of Ukrainian Canadians were still interned. The government changed their status from that of "enemy-alien" to "Bolshevik" and kept them locked up for fear that they might be sympathetic to the new communist regime in the Soviet Union.

Not until 1920 were the camps finally closed down. There was never any evidence presented in any public place that the Ukrainian Canadians posed a threat to national security. Indeed, the government never produced any evidence to that effect at all. In January 1915 the British foreign office informed the federal government that Ukrainian Canadians should be treated as friendly aliens. The government was told that many Ukrainians, like other nationalities within the Austro-Hungarian empire, were opposed to Austro-Hungarian rule and would not be sympathetic with Canada's enemy in the war.

The motion I have put before the House is one that is supported by the Ukrainian-Canadian Congress. The Congress wishes the government to formally acknowledge the unjust and unwarranted treatment these persons received during the First World War.

They would like to have the event commemorated by having historical markers established at the various internment sites, including Fort Henry in Kingston, which was the first site used as an internment camp.

I should also note as an historical footnote that the same fort was used during World War II to house prisoners of war. The International Red Cross said that it was not a suitable place to house prisoners. One can only imagine what the condition was during the First World War when apparently no international organization was involved in checking on the internees.

The Ukrainian-Canadian Congress has asked the firm of Price Waterhouse to compile a study on the financial losses of the internees. The report is due later this autumn. Once it is complete the committee would like to discuss the matter of redress with the government.

The treatment of Japanese-Canadians interned during World War II has clearly established some kind of precedent. It is certainly clear that given the number of years that have elapsed since the Ukrainian internment took place very few internees must still be alive. Accordingly, the Congress is not seeking redress on an individual basis but rather the establishment of a trust fund for the Ukrainian community in Canada which could be used for various purposes of that community.

• (1420)

The purpose of the motion I have put before the House is to urge the government to look at the facts, look at the record and see if something cannot be done to commemorate the evil perpetrated by our country on these people at that time.

These were innocent citizens of our country, never convicted of any crime, who just happened to have come from an area with which Canada was at war. As a result they were deemed unsuitable to carry on their daily lives on their farms and their homes wherever they happened to live in Canada, they were rounded up and herded into these camps. They were separated from their friends, from their families, from their communities and held far longer than was necessary solely because the government perceived that there might be a security risk to our country because they came from that particular part of Europe.

With great respect, it is clearly a situation which calls for some kind of relief. I am not suggesting, as I indicated earlier, that payments be made to individuals. Neither is the Ukrainian-Canadian Congress. The Congress seeks redress for the community and seeks to have the fact of this internment commemorated in plaques at the various locations across Canada where these internments took place.

In closing, perhaps I can quote an article by my friend Mr. Luciuk and Bohdan Kordan, both members of the Ukrainian Canadian community, published in the *Kingston-Whig Standard*. I think the article summarized the views of their community. They wrote as follows:

> What happened can never, of course, be undone, and no amount of financial compensation, to individuals or to the community, can truly make up for the injustices experienced by these Canadians. But by dealing with this issue expeditiously the government of Canada can make good on its publicly stated commitment to treating fairly with any group of Canadians who, as a result of discriminatory and unjustifiable actions on the part of the federal authorities, suffered grievous damages. By doing so the government will not only help to fill in a blank page in Canadian history but will in the process, ensure that no other Canadians, of whatever ethnic, religious or racial origin, are ever again subjected to such a national humiliation and gross violation of their fundamental human and civil rights.

I know that the government is sympathetic to the plight of these people, to the plight they suffered many years ago. I know that the government is considering moving on this issue. I urge the government to take the matter in hand, handle it with dispatch and seek to come to a satisfactory arrangement to ensure that the fact that this kind of thing went on in our country is not forgotten but indeed commemorated as a sad reminder of how we sometimes disregard the notions of fairness, equity, and justice which we so often take for granted in Canada today.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Madam Speaker, let me at the outset commend the hon. member for bringing his motion forward. It is timely and I am pleased to be able to address the motion and acknowledge the treatment of Ukrainian Canadians at the hands of past governments.

We all agree that mistreatment of Canadians because of their origin is unacceptable. Unfortunately, the history of our country has not always reflected the principles of justice and equality that make us proud Canadians today. Thankfully this sad chapter in our history is now behind us.

The course of history cannot be changed, however. These events must be brought out into the open. This concerns each of us. We firmly believe that Canadians must be aware of situations like this one and that it is important to set the record straight.

Our government today is committed to building a strong multicultural society, one that abides by the rules of justice, human rights and mutual respect.

The basis of this commitment is a clear understanding of how Canada came to be. We must be able to confront our history and face up to our past.

The Prime Minister has committed himself to a formal apology regarding the matter of Ukrainian Canadians interned during the First World War.

We must not forget that Ukrainian Canadians helped build this country. We must not forget that the history of Ukrainian Canadians is closely interwoven with the growth and the achievements of the prairies. Their contribution to Canadian life, which began in the 1800s, continues today.

As Canada's fifth largest ethnocultural group, the Ukrainian Canadian community is present in every sphere of activity: cultural, professional, educational, political, religious and financial. With a network of over 1,000 organizations and a highly organized structure the community has a voice in over 150 towns and cities across this country.

Ukrainian Canadians have come a long way. Ninety per cent of the community is Canadian born and therefore fully integrated into the mainstream of Canadian culture.

Nonetheless, Ukrainian Canadians are strongly attached to their heritage and therefore determined to maintain their culture, language and identity.

Ukrainian Canadians are a perfect example of the country we are thriving to build. They are full-fledged Canadians with a Ukrainian heritage giving them a unique flavour. They personify our multicultural society.

As people committed to their language, religion, and cultural heritage the Ukrainian community has long been the most outspoken advocate of a multicultural nation, one that recognizes that diversity is a fundamental characteristic of our country and a vital part of being Canadian.

In 1986 the Ukrainian community produced an in-depth study entitled *Building the Future: Ukrainian Canadians in the 21st Century*. As the title suggests, the document is proof that Ukrainian Canadians are turned toward the future. They are men and women of action.

The document established a strategic process of renewal and co-ordination within the Ukrainian community in Canada. It sets specific goals in education, arts, communication, and cultural development, as well as public policies and programs.

The document clearly stated that multiculturalism is the key to maintaining their culture while participating fully in the larger Canadian society.

Ukrainian Canadians promote the concept of functional trilingualism. Many of them exemplify this by being fluent in English, French and Ukrainian.

Ukrainians can definitely pride themselves in being among the architects of the Canadian Multiculturalism Act passed in 1988.

Because they refused assimilation Ukrainian Canadians have met challenges of integration while retaining the essential qualities of their heritage.

Our country is proud of the numerous Ukrainian Canadian personalities who contribute to the innumerable facets of Canadian life: at Rideau Hall with Governor General Ray Hnatyshyn, in the Supreme Court with John Sopinka, in the world of sports with hockey players like Dale Hawerchuk and Mike Bossy, in the business world with Bill Teron, to name a few among many.

These people, and thousands more, confirm the enormous contribution of Ukrainian Canadians to the economic and social development of this land. The Ukrainian Canadian community has come a long way. Despite difficulties Ukrainian Canadians have done well. They are a strong and vital community and one that continues to prosper.

This year Ukrainian Canadians are celebrating the proud centenary of Ukrainian settlement in Canada. The official opening, held at the end of August, marked the beginning of the festivities to unfold throughout the country during the next 12 months.

The official closing of the centennial celebration in October 1992 will coincide with the triennial Congress of Ukrainian Canadians.

Many special events are planned by individuals and organizations on national, regional, provincial and local levels. What better time for these Ukrainian Canadians to commemorate and honour their rich historical past, salute their present and create a vision for the future? The government stated in this week's proposals for constitutional reform:

> It is true that this country and its creation have not taken place without pain and suffering. The aboriginal people, in particular, have paid a high price for other peoples' search for freedom. Canada has not always been inclusive and many have been left out of the benefits of citizenship. Yet, despite these gaps which we are only now

acknowledging and trying to remedy, Canada remains deeply symbolic of freedom in its broadest sense. Many around the world still long to come to our shores, to share in what we have built. People in other nations continue to risk their lives and sacrifice their security for freedoms that previous generations have already guaranteed for us in this country.

• (1430)

What better time for all Canadians to recognize the contribution of this vibrant community, one which has undergone tremendous change over the past 100 years, but one that retains values, traditions and a language and all fundamentals of our Canadian way of life.

Mr. Ross Harvey (Edmonton East): Madam Speaker, I too would like to thank and congratulate the hon. member for Kingston for bringing this matter to the House today. It is a matter that has cried out for effective treatment for a long time.

I would like to start by asking you, and through you, the other members present here today, to conjure up a picture in your mind. Place yourself on highway 1A, the road that was there before the Trans-Canada Highway 1 was built, northwest of Banff in the Bow River Valley, within the Canadian Rockies. About half way up Highway 1A, between Banff and Lake Louise, at a junction in front of the towering Castle Mountain, is a wall of rock that stretches, literally for miles, rising up on the east side of the Bow River Valley.

Place yourself there in your mind, on the road, in the flatlands of the valley in winter. Few people stop along this road, especially in the winter. The scenery is stupendous. The towering mountains are brilliant in their fresh coat of snow, and with every gentle wisp of breeze, the pine trees drop a cascade of snow in a sparkling dazzle of crystals and colour. Occasionally, a car swishes by speeding toward Banff to the south, or Lake Louise and other points to the north.

If, while standing there, you close your eyes and stand stock still, and again use your imagination, you can see another scene, a shockingly disturbing scene, right there, and not very long ago.

Between 1914 and 1920, in one of the most shameful episodes of Canadian history, thousands of recent immigrants to Canada were imprisoned there. The concentration camp near Castle Mountain, outside Banff, was only one of the 26 such internment camps scattered across the country. Thousands of Ukrainians, and other people of east European descent, were designated enemy aliens, stripped of their property and denied their civil rights. Over 80,000 people, mostly of Ukrainian origin, were forced to carry identification papers and report to local police. Over 8,000 others were separated from their families, confined behind barbed wire and forced into hard labour.

What was the crime that justified this imprisonment, this massive injustice perpetrated under the provisions of the recently passed War Measures Act? There was not one. These Ukrainians were simply recent immigrants who happened to hold Austrian passports. Many simply did not have a job. These were not enemies of Canada.

In fact, the British Government expressly informed the Canadian government that these Ukrainians should be considered friendly. Many of them had fled their homes to avoid being conscripted into the Austro-Hungarian army.

Even though they had committed no crime, these new Canadians were forced to build the internment camps that contained them, to build the roads, including the predecessor to that Highway 1A, to clear the land, to cut wood and work on railway construction projects.

Later, they were forced to work at miserable pay for private companies. Every year thousands of us drive past these sites that used to be internment camps, yet few Canadians know the extent of the hardship that was caused in Canada to our own.

Canada should finally acknowledge that this gross injustice occurred here. We can never right the wrongs that were committed, but we can teach our children what happened, why it happened, in the hope that they may learn from the past so that such injustice may not happen again.

For this reason, I and the New Democratic caucus and party of which I am a member, very strongly support several steps.

First, an official acknowledgement by the government of the serious injustices that were inflicted on these Ukrainian Canadians.

Second, the placement of historical plaques at appropriate sites near those 26 internment camps.

Third, the establishment of a national redress commission to review requests for redress of discriminatory acts of past Canadian governments, and recommend appropriate and expeditious action to deal with this and other dark episodes in our history.

In addition, Madam Speaker, we support the partial reconstruction of that Castle Mountain camp in Alberta, as an educational site to which Canadians, and other visitors, could go and be encouraged to pause along their drive through the majestic Rockies, and reflect on what they themselves might do to ensure that such a sorry event never occurs in Canada again. Perhaps, as well, they could reflect on what it is that human societies can do to themselves when the idea of the enemy, the other, the apart, the separate, becomes a more compelling idea than the certain knowledge that we are all of us brothers and sisters.

Madam Speaker, this is a motion completely worthy of the non-partisan support of all elements in this House. I greatly hope it receives that support.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, I am honoured to speak in response to the motion by the hon. member, especially in light of the importance of the issues being raised.

Canada today is a vibrant and tolerant country that recognizes the essential nature of its multicultural reality. Ukrainian Canadians have been major exponents of the recognition of the multicultural nature of Canada. Canadians can trace their origins to every part of the world. People from all over the world have played a major part in settling the land, developing our resources, building cities and forging transportation links over vast distances.

The internment of Ukrainian Canadians during the First World War is not a proud moment in our history. It is a history, however, that has to be told. The government takes this issue very seriously and is looking into how best to set the record straight and to symbolize our recognition of this very sad event in our history.

In more recent times, the Government of Canada has acted to protect its citizens from this kind of treatment. The Canadian Charter of Rights and Freedoms guarantees equal protection and benefit of the law, without discrimination. Through the Canadian Multiculturalism Act, the Parliament of Canada has recognized that our society is fundamentally multicultural in nature and has committed itself to the full and equitable participation of individuals and communities of all origins in shaping Canada's future.

The War Measures Act, as an example, has been repealed by this government. Encouraged to immigrate to Canada by Canadian governments, Ukrainians were a vital part of the settlement process of Canada, particularly in the prairies. Ukrainian settlers in the prairies wanted no more than the chance to live and work in dignity in this country of Canada.

• (1440)

The Ukrainians were among the founding settlers of Canada. They were especially important in settling the prairies.

Between 1891 and 1914, 170,000 Ukrainians came to Canada. Between the wars another 68,000 Ukrainians came to Canada. After the Great War, 33,000 more Ukrainians immigrated to Canada.

Ukrainians did settle in small numbers in Canada long before the mass immigration that took place in 1891. According to the publication *The Canadian Family Tree*, there were soldiers of Ukrainian origin in the de Meuron and Watteville regiments which fought for Canada in the War of 1812.

Some Ukrainians settled in Manitoba during the period of Lord Selkirk. There were also Ukrainians in Manitoba who came from the United States prior to 1891.

In the beginning the Ukrainians faced a very difficult life in the prairies as they broke into this land and broke the land itself. In spite of this harsh existence, community cultural and social life grew with development of a variety of organizations, women's groups, newspapers and periodicals, architecture, folk arts and poetry over the years.

In 1905 the Ukrainian Mutual Benefit Association was founded in affiliation with the St. Nicholas Ukrainian Catholic Church in Winnipeg. Among these Ukrainian workers and farmers there emerged a credit union movement, which began in 1939 when the new Community Savings and Credit Union was founded in Saskatoon.

By the end of the 1960s over 60 Ukrainian credit unions served an estimated membership of 50,000. Over time the Ukrainian-Canadians, like their fellow citizens, have become an urban people.

According to the 1981 census, there were 63,000 Ukrainians in Edmonton, 59,000 in Winnipeg, and 51,000 in Toronto. Other major centres of Ukrainian population are Vancouver, Montreal, Calgary, Saskatoon, Hamilton, Thunder Bay, Regina and the Niagara Peninsula.

Of the 529,615 Ukrainians in Canada in 1981, 59 per cent lived in the prairie provinces and 25.3 per cent lived in Ontario. Much of the cultural struggle for the Ukrainian Canadian community has involved the maintenance of its language.

In recent years bilingual and even trilingual education, with French included, has been offered in the publicly supported education systems of the prairie provinces.

Ukrainians are a vital part of the cultural fabric of Canada. The Ukrainian Community Development Committee report for the prairie regions published in 1986 by the Ukrainian Canadian committee noted that "the Ukrainian situation as an ethnocultural minority is a very special one, permanently woven into the fabric of Canadian society".

Over 1,000 organizations exist within the Ukrainian community. The paintings of William Kurelek, inspired by his experience on the prairies, have been widely recognized. George Ryga is a writer of Ukrainian origin of national stature.

Ukrainians have long been involved in municipal politics as well. William Harwylak in Edmonton and Stephen Juba in Winnipeg have been prominent mayors. The first Ukrainian elected to a provincial legislature was Andrew Shandro in 1913 in Alberta. In 1926 Michael Luchkovich became the first Ukrainian elected to the House of Commons. Over 200 Ukrainian Canadians have been elected provincially and another 60 have been elected to the House of Commons. In 1970 Stephen Worobetz became Lieutenant Governor of Saskatchewan. A former hon. member of this House, His Excellency Ray Hnatyshyn, now serves the country as Governor General.

During the Second World War approximately 40,000 Ukrainian Canadians served in the Canadian Armed Forces. Ukrainian-Canadians play a vital role in Canadian life. They are important advocates of recognition of the multicultural nature of Canada. However, we must not forget the treatment of Ukrainians which took place during the First World War.

We must ensure that present and future generations of Canadians understand the reality of Canadian history, including events such as the Ukrainian internment. Many Canadians are unaware of the details of these events, or even that they took place. They are seldom mentioned in the official history books, in museum exhibits, or in popular press reports about historical events.

I am grateful to the hon. member for this motion and for the occasion to speak about the Ukrainian internment. More important, I am grateful to those members of the Ukrainian Canadian community for increasing public awareness about this history.

Without this knowledge of history, we risk repeating the same mistakes whenever world crises break out to stoke the embers of fear and intolerance.

One of the most important conclusions of the Spicer commission report last summer was that Canadians need a greater knowledge of their history, of themselves and of each other.

If we are to remain together as a country, we must encourage the recounting and hearing of our histories.

Ms. Barbara Greene (Don Valley North): Madam Speaker, I attended a meeting on behalf of the minister about a year and a half ago at which the Ukrainian redress committee had a press conference to tell their story.

It is the story of a minority in Canada that still hurts.

This motion which the hon. member for Kingston and the Islands has presented is one that should be given every consideration by the government. The government is committed to doing something to redress this historical wrong committed by a previous Government of Canada. The suggestions by the hon. member are certainly excellent and should be given every consideration.

I will certainly support the referral of the motion.

Mr. Milliken: Madam Speaker, I want to thank all hon. members, and the members for Burlington, Edmonton East, Carleton—Charlotte and Don Valley North for their kind interventions.

As there is unanimity on this point I wonder if rather than drop the motion it could be carried by unanimous consent.

Motion agreed to.

Madam Deputy Speaker: I think I will also find unanimous consent to call it four o'clock p.m.

Some hon. members: Agreed.

[*Translation*]

Madam Deputy Speaker: Accordingly, this House stands adjourned until Monday, at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 2.47 p.m.

HOUSE OF COMMONS

Monday, September 30, 1991

The House met at 11 a.m.

Prayers

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 30(6), the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

NATIONAL DAY REMEMBRANCE ACT

MEASURE TO ENACT

The House proceeded to consideration of Bill C-202, an Act respecting a national day of remembrance and action on violence against women, as reported without amendment by Legislative Committee A.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): There are three motions in amendment on the Notice Paper for consideration at the report stage of Bill C-202, an Act respecting a national day of remembrance and action on violence against women, standing in the name of the hon. member for Westminster—Burnaby.

[*English*]

All the motions are in order and they will be grouped for debate. The vote on Motion No. 1 will be applied to Motions Nos. 2 and 3.

MEASURE TO ENACT

Ms. Dawn Black (New Westminster—Burnaby): moved:

Motion No. 1

That Bill C-202 be amended in the Preamble, in the French version, by striking out line 11 at page 1 and substituting the following therefor:

"faite aux femmes,".

[*Translation*]

Motion No. 2

—That Bill C-202 be amended in Clause 2, in the French version, by striking out lines 23 and 24 at page 1 and substituting the following therefor: "tion et d'action contre la violence faite aux femme".

Motion No. 3

—That Bill C-202 be amended in the Title, in the French version, by striking out lines 2 to 4 at page 1 and substituting the following therefor:

"commémoration et d'action contre la violence faite aux femmes".

• (1110)

[*English*]

She said: Mr. Speaker, the amendments were simply to bring the French translation more into line with the English in the bill and so I do not wish to speak to them. I would hope we will go to the vote on them.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is the House ready for the question?

Some hon. members: Question!

The Acting Speaker (Mr. DeBlois): The question is on motion No. 1, standing in the name of Ms. Black. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): The vote on motion No. 1 will also be applied to motion No. 2 and motion No. 3.

Motions Nos. 2 and 3 agreed to.

[*English*]

Mr. Angus: On a point of order. Mr. Speaker, I think you would find agreement in the House that the seconders of the bill would be the member for Halifax and the Minister Responsible for the Status of Women.

Some hon. members: Agreed.

Motions Nos. 1, 2 and 3 agreed to.

Ms. Black moved that the bill, as amended, be concurred in.

Motion agreed to.

Ms. Black moved that the bill be read the third time and passed.

She said: Mr. Speaker, in preparing my speech for today, my assistant and I went through the newspaper clippings we have on the Montreal massacre and on violence against women in general. There was much there. There is so much to say that I cannot possibly include even a small fraction of it in my speech today.

The news photos of the night of the massacre recalled to us the horror and the shock we all felt on December 6, 1989, when we first heard the news report that a man had entered into the engineering classroom at the École Polytechnique in Montreal, separated the men from the women and shot the women with a legally purchased semi-automatic weapon.

Afterward, a disturbing debate took place about whether this was just the isolated act of a madman or if it was connected to the death of 100 women every year in domestic violence situations, connected to the death and the injuries to women as a result of being sexually assaulted by men who hate women, men who do not see women as equal human beings.

Some people sought to reassure themselves that the massacre was an isolated act by a madman so that they could think that it would never happen again. It has happened before, it happens now and it will continue to happen.

The different thing about this massacre was that it was 14 young women killed all at once. Theodore Bundy murdered 36 women. Edward Jackson, a regular churchgoer, a respected doctor and father, raped 32 women. Larry Takahashi was found guilty of raping 16 women, and another 122 rape charges against him were never heard. It is these names we remember, the names of the people who do violence against women.

We do not remember the names of the victims. The victims are nameless and faceless to us, just as they were to the killers and to their attackers. I want to name the names. I am glad and appreciative that the members of this House wish to stand alongside me, and commemorate those who died. They are: Geneviève Bergeron, Hélène Colgan, Nathalie Croteau, Barbara Daigneault, Anne-Marie Edward, Maud Haviernick, Barbara Marie Klueznick, Maryse Leclair, Anne-Marie Lemay, Sonia Pelletier, Michele Richard, Annie St. Arneault, Annie Turcotte, Maryse Langanière.

I want to express my deepest sympathies to the families of these young women, to the families of the students, one of whom committed suicide shortly after the massacre and to the families of women and young people who have died of abuse, hatred and the madness in our society that does nothing to prevent this violence from taking place. These events have left us all with scars of pain.

December 6 will be remembered as a horrific and grisly day but I and many others wish something positive to come of it.

I want to talk about one of the survivors of the massacre, a young woman whom I admire very much. Heidi Rathjen has become one of the leaders in Canada on the issue of gun control. This young woman, who went on to graduate from the Ecole Polytechnique, has appeared before two parliamentary committees on gun control. She has helped to amass over 500,000 signatures on a petition for stricter gun control. She has engaged in public speaking right across this country about this issue.

Just like Ms. Rathjen, I think we must all become active on the issue of violence against women. We cannot just continue to talk about it. People are dying.

Marc Lepine had a list of 19 women whom he wanted to kill. He called them "radical feminists" and he wanted them dead because he thought they had ruined his life.

These women were high profile, successful people. Talent and hard work counted very little to Mr. Lepine. He felt that they had taken his place in society because he was a male and deserved the best even without their talent, even without hard work, without any of the skills and abilities that had got these women to the place they were. Some people still maintain the Montreal massacre had nothing to do with sexism.

Lepine's suicide note said his rampage was due to "political reasons". He said: "Even if the mad killer epithet will be attributed to me by the media, I consider myself a rational person, forced to take extreme acts." He accused women of wanting to keep all the advan-

tages of being women while seizing the advantages that were men's.

These attitudes are out there. Lepine did not invent them. They are the attitudes that promote violence against women. The attitude that women have a place in life and if they step out of that place, they can be targets for abuse from name-calling to being beaten and murdered, that women are a proper target for the rage and the frustration that is felt by some men, that women are not real human beings with real feelings and real ambitions with just as much right to pursue them as men, that men have some sort of right to sex and other services from women are attitudes that must be changed.

• (1120)

This year a newspaper article discussing date rape said: "Meeting a woman in a bar and drinking with her for several hours before going to her place is not a date. That's a pick-up."

A so-called pro-family newspaper blamed violence against women on the feminists just as Marc Lepine blamed them. He blamed everything on the feminists. The newspaper wrote that the cause of violence against women is the destruction of the family. How does this explain the cases of violence that we have all seen in families in the 1800s, even in the 1500s?

Wife beating was legal in Canada and elsewhere at one time. Women could not even receive a divorce even though they had been repeatedly beaten and beaten to a pulp.

Some right wing groups have commandeered the term "family values" to mean something sick and twisted. They do not want to promote the health and well-being of family members at all. They only want to provide a justification to male family members to abuse women and children and get away with it.

A co-ordinator for a sexual assault support centre has said that the issue of violence against women was brought to the forefront by the Montreal massacre, and that many women did not realize the extent to which angry men would take their fury out on women. I think that is especially true of young women. You just do not grasp that anyone, anyone you think is a friend, or even a stranger, would want to hurt you, or would have so little regard for your own wishes.

Many survivors of sexual assault are simply in shock that any one would want to do that to them. It does not matter how they dress, how old they are, or who they are, they are targeted simply because they are women.

That crisis centre received 2,327 calls in six months, and it is one of only two crisis centres in a small city. Some calls were from women who had been abused in childhood and were just beginning to come to terms with that abuse.

Chia-Tsu Liu was an abused wife in Toronto who was hacked to death by her husband when she left him and refused to return.

Nina de Villiers went jogging one day and never came back. She had been active in the movement to end violence against women and she was found dead.

A 13-year old girl was doused with gasoline by her former 15-year old boyfriend and set on fire. She had reported threats to the police before this horrible situation but no one had helped her.

Twenty people watched as an 11-year old girl was gang raped at a party in Toronto.

One female Toronto city councillor thinks violence against women is exaggerated because she does not know of anyone among her friends or family who have told her of an assault.

A young woman in my circle of friends told me that she told her mother that she was sexually assaulted when she was 17 and her mother asked her what she had done to deserve that. That same young woman escaped the sexual advances of her uncle when she was only 14 and never told her family. She was afraid she would not be believed.

Mr. Speaker, I hid from my own mother the advances of a family "friend" when I was less than 12 years old.

With society's "blame the victim attitude", many women feel uncomfortable and embarrassed about telling anyone they have been abused. They fear they will not be believed and they blame themselves.

Front line rape crisis centre workers say only one in 20 women who contact them report the crime to the police. When they do, they are often put on trial every bit as much as the assailant.

We have seen recent stories of abuse in residential schools, orphanages, assaults which occurred up to 20 years ago. All the allegations made at the time were hushed up, covered up, and ignored. This is not the way to solve a serious problem in our society. We must talk about it. We must tell survivors of abuse that there is support for them, that they do not have to face this alone and face society alone. We must discuss the solutions and, more importantly, we must act on them.

I hope that the bill I have introduced will go a small way towards that, to call attention to the problem and to implement some solutions. I did not call it a day of remembrance and action for nothing. Without the action the bill is worthless.

There are very few women who are untouched by violence, women of all ages, of all physical types, from every culture, every racial group, every religious and socioeconomic background. All are assaulted. Disabled women and aboriginal women are particularly vulnerable to assault. Not only is there evidence to show that disabled women are more often the targets of abuse, but they are treated very poorly by the courts.

This year a man was acquitted of raping a deaf mute woman who kicked and fought him. She tried to defend herself. The man was acquitted because the deaf mute victim did not tell him that she did not want to have sex. How is a deaf mute woman supposed to verbalize that she does not want sex? Should not the kicking and the fighting be enough?

Sixty-two per cent of all women murdered in Canada are victims of domestic violence. Yet in Alberta, 911 operators would not send police to a house in which a man was beating down the door to rape a woman because they thought it was a domestic dispute.

One in four women is sexually assaulted. Others who have not been assaulted or harassed still feel fear when walking, particularly alone, at night.

This cycle of violence must be stopped. Marc Lepine grew up being beaten by his father. In one study, 25 per cent of the children in a shelter for battered women said it was okay for a man to hit a woman if the house was messy.

Violence against women is not natural behaviour, it is learned behaviour. We hold up violent heroes for young boys to emulate. We treat women with a lack of respect in the work place and in the home. Women are the butt of jokes. Women are used as objects to sell products. Women who succeed are often accused of sleeping their way to the top. I do not think anyone has accused a successful man of that.

Boys are given unrealistic expectations of what it means to be a man. Physical strength and power over others is seen as manly. Expressing one's feelings, taking care of others, resolving problems in a non-violent, supportive way, are not considered to be manly attributes. The bravado, the strutting and the machismo put on to male children hurts those male children, hurts women and hurts all of society. Children learn these attitudes all too well and the whole cycle of violence begins again.

Instead we need to teach children that every individual is different. There are men and women who are physically strong and men and women who are not. There are men and women who are intelligent and there men and women who are less so. Whatever you are, it does not make you better or a worse human being than anyone else.

The House of Commons subcommittee on the status of Women, of which I am a member, released many positive recommendations that received all party support at the subcommittee level. These included strong and consistent violence prevention and media literacy education in our schools across the country; gender equality issues should be part of the school curriculum in elementary, junior and high schools; mandatory gender equality training for judges and for the RCMP; and gender sensitivity training programs for members of Parliament. MPs decide which programs stay, which ones go, how money will be spent, what benefits people have. They have a direct impact on the lives of 26 million Canadians, over half of whom are women. I am sad to say that some members here do not have adequate knowledge and sensitivity to the problems women face to make those good decisions about women's lives.

• (1130)

Another recommendation was for an effective, affordable housing policy and to look into removing the assailant from the family home, rather than removing the victim from the home.

It called for a strong rape shield law and for the repeal of the honest belief defence for rapists. The subcommittee called for stronger gun control legislation. Most important, for the short term, the subcommittee called for adequate funding for services for abused women and children. Shelters for battered women are still turning

away abused women and their children because of a lack of space.

We can start by restoring the funding to the Canada Assistance Plan which funds, among other social programs, shelters for battered women. We can take action on the subcommittee's recommendations now and not await until December 1992, when the Panel on Violence Against Women reports and probably restates many of the same recommendations that we made on the subcommittee.

I want to extend my warm appreciation to the Minister responsible for the Status of Women for her support and for ensuring the support of her party. I want to extend my appreciation also to the hon. member for Halifax, my friend, for her support and for her party's support and also to the House leader of the Bloc Quebecois for his party's support.

I would also like to thank my own New Democrat colleagues. I want to thank them for their understanding and for their support on these issues. I want to thank the people across Canada who have written some very wonderful letters to me, letters of encouragement and support.

Most of all I want to thank the women who have worked so hard all of these years, staffing shelters for battered women, raising funds for shelters for battered women; the women who have worked in rape crisis centres; and the women and men who have marched in the streets and have lobbied the government on issues of violence against women. These people, these caring men and women will be the real agents for change in our society. Without them, it will not happen.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I am honoured to rise in support of this bill to establish December 6 as a national day of remembrance and action on violence against women.

On December 6, 1989, 14 young women at the University of Montreal were killed by a gunman who did not know them but who singled them out because he hated women. The shock and the horror of the tragic event was felt throughout our country. This tragedy touched all Canadians, women and men alike. Many Canadians felt a personal sense of loss. Many Canadians, and particularly women, lost a sense of safety and security they had fell all their lives. Many Canadians saw in this brutal slaying an extreme example of the terror and the violence inflicted on women every day.

Violence against women takes many forms, including emotional and psychological abuse, physical assault, sexual assault and murder. It does not respect any boundaries but threatens women of all ages, cultures, backgrounds, abilities, geographical locations and economic situations.

Women centred violence exist in a continuum in our society that includes sexless jokes, pornography, harassment, prostitution, date violence, child abuse and incest.

The statistics on violence against women in Canada are shocking. One in ten Canadian women is assaulted by her male partner. One in four girls will be sexually assaulted before reaching the age of 18. Eighty per cent of aboriginal women have experienced violence and almost half of the disabled women in this country have been sexually abused during childhood, while 40 per cent have been raped, abused or assaulted as adults. Nor are elderly women free from violence. Female victims of elder abuse outnumber male victims two to one.

These statistics are considered only modest estimates. Many abused women and girls are often too ashamed or frightened of reprisal to speak out or seek help. Some victims try to bury the violence deep in their thoughts and deny its existence. They do not fully understand the deep-seated trauma that such violence inflicts and that it will, in all likelihood, stay with them for the rest of their lives.

We make a serious mistake if we think that the effects of this violence are strictly personal. Its legacy is widespread throughout our society. Not only do innocent victims pay the price long after the physical abuse is over, but we pay along with them.

When the results of this violence are chronic depression, high incidents of addictions and eating disorders, deliquency, crime and suicide, we all pay and our society is diminished by this cost.

I would like to quote the words of a Manitoba woman who, as a child, endured an estimated 2,600 incidents of sexual abuse at the hands of her father. She said: "My father took away my childhood. I still mourn for it and I will always miss the innocence. I will miss the opportunity to have the choices that were taken away from me. When I think back to certain situations I was put into as a

child, I keep thinking to myself that poor little girl, that poor little girl".

Violence against women is a thief, stealing away the things that are most precious to us: love between husband and wife, trust between parent and child, the ability to live without fear, and a state of emotional health that allows us to enjoy and participate in life to the fullest.

Many of us take pride in our Canadian sense of equality and fair play. We have long believed we live in a progress society, one that places compassion and respect for people from all walks of life at the centre of our national ethos. But the tragedy at the Ecole Polytechnique and the violence that occurs daily in our homes and on our streets are reminders of how far we have yet to go.

Violence against women is deeply rooted in our society. It is based on attitudes and stereotypes that encourage the belief that women are subordinate to men. Stereotypical views hold that a man is the head of the household, that a woman must honour and obey her partner, and that children are to be seen and not heard. These stereotypical views create a serious imbalance between men and women and between adolescent males and females. On the other hand, men are expected to control and dominate; on the other hand, women and girls are expected to be dependent and vulnerable.

When such stereotypes combine with a societal tolerance for violence, the result is an exposure and sometimes deadly mixture: men who abuse their power, men who turn on those closest to them, men who use violence as a means of dealing with their anger and frustration.

It should come as no surprise to us, then, that women are kicked and slapped, hit with hard objects and cut with knives. It should come as no surprise that each year in Canada an average 100 women are murdered by their male partners or that in 1990 there were 27,000 reported incidents of sexual assault. It should come as no surprise that 14 innocent women could be brutally gunned down simply because they were women.

Canadians have long been tempted to look away, to say to themselves it is someone else's problem, and to believe that the dirty linen of domestic violence should not be aired in public. Some still assume that such violence should be dealt with behind closed doors.

However the truth is that violence against women is not someone else's problem. It is our problem. It belongs to all of us. When we look the other way, we become silent accomplices. When we think of violence as belonging to someone else, we deny our responsibility for its existence. When we do not want to air the dirty linen, we ignore the plight of the thousands of women who need our help and compassion.

• (1140)

When we hide violence behind closed doors we are guilty of encouraging the sexist view of women as persons who can be abused, raped and murdered. As long as some women are beaten by their husbands, as long as others are sexually assaulted on dates, as long as still others experience harassment at their jobs, women are being denied the basic right to security of person.

When a person is denied this basic right she suffers on many levels. She cannot walk the streets without being frightened. She cannot be safe in her home or at a university or in the work place. She cannot function without continually looking over her shoulder and worrying about the people with whom she has to deal.

There is a tragic link between violence against women and the inability of women in Canada to achieve equality in our society. Violence against women is deeply rooted in our socializing processes, our power structures and our institutions. This is a systematic problem touching on all aspects of our society including the justice system, the media, the health system, education and social services.

Equality for women goes hand in hand with the eradication of violence. Economic equality will provide women with the freedom to leave abusive situations and rebuild their lives and those of their children. Political equality will allow women to participate in decisions that affect their lives and the lives of their families. Societal equality is key to breaking down stereotypes and eliminating the traditional sexist attitudes that promote violence against women.

Our efforts to address violence against women must recognize the social, economic and political structures that currently confine women to unequal roles. At the same time, we must continue to find ways to expand the opportunities and choices available to women.

When Canadians learned about the massacre in Montreal they responded in many different ways. The government provided leadership and vision through its commitment to Canada's first national inquiry into violence against women and its $136 million renewal of the family violence initiative. In a struggle to eliminate violence against women the government recognizes that it is essential to co-ordinate our efforts with provincial and municipal governments, women's groups, service clubs, business and labour and professional associations.

Many Canadian organizations responded to the Montreal tragedy by a renewed commitment to opening career opportunities for women, particularly with respect to science and engineering. The Canadian Federation of University Women, Canadian Council of Engineers, Memorial Foundation, Societé Alfred Dallaire and the Ecole Polytechnique are among the organizations, institutions and corporations that have established scholarships in memory of the victims.

Ms. Mary Clancy (Halifax): Mr. Speaker, when tragedy invades our lives, we tend to react first with a feeling of horror, a feeling of helplessness, and over all the questioning as to why this has taken place. On that December night almost two years ago, a night that I think all of us will remember with exceptional clarity all of our lives, I remember the particular horror, the particular feeling of helplessness and over all the questioning as to why this had happened.

On that night in December it happened that I was dining with a group of my colleagues and one of our colleagues was late. As we waited for him we wondered why he was late. When he joined us he gave us the terrible news that was just then coming across the television screens and the radio airwaves in Canada. As he told us, one could tell in the crowded restaurant in Ottawa that the news was filtering to other tables, to other people. As we all remember, it seemed to deepen the horror that this took place in the pre-Christmas season when at least on the face of it we are all supposed to be mirroring a feeling of both peace on earth and good will toward all of humankind. When evil takes place, we are left with a feeling of what can we do, how can we combat it, but when good comes out of evil there is always a sense of accomplishment and a feeling that terrible as the originating event was, there is some sense of balance restored if some good takes place.

I think that in both the existence of this bill brought forward by my friend, the hon. member for New Westminster—Burnaby, and in the kind of co-operation that took place among the three parties in the House, from the Minister responsible for the Status of Women and, in some small part, from my own participation, we saw an indication of how a horror cannot be redressed, cannot be cured, cannot be obliterated, but can be the catalyst for something that will, in the long run, please God, improve what is a terrible situation.

The tragedy at Ecole Polytechnique was the most extreme symptom, result, reaction if you will, to an epidemic running not just through our country, but through world society. The fact that we have managed to grow a few blossoms on the graves of those wonderful young women who were cut down at the very beginning of what should have been wonderful and fulfilling lives sometimes does not seem as if it is nearly enough. And, of course, it is not nearly enough, it is just the first few steps of what must be concerted action.

This is a private member's bill supported by all parties and all of us in all parties are happy, I even say delighted, that this has taken place.

But, Mr. Speaker, when the hon. member for New Westminster—Burnaby brought forward this bill, as she herself said in her speech, it is not just to have a day of remembrance, it is to have a day of action.

I am not going to go through a litany of the grotesqueries that have taken place against women just since I came into this House. My colleague has given a number of examples, examples that we are all too familiar with. My colleague from the government party talked about the fact that it is not something that can be confined to one particular cultural group, to one particular socio-economic class, to one particular geographic region, it is something that runs rampant throughout the world.

I think that there was always violence against women. I think this was one of the prices that women paid for being in the nurturing position, for being the maintainers of home and hearth and, therefore, not being those

who provided the wherewithal for home and hearth and the protection.

I think that what has happened, particularly in the last 20 years, when we have seen the women's movement become, as many of us who have worked in it have always believed, perhaps the most cataclysmic drive for social change that this world has ever seen. It changes those things that many of us believe to be unchangeable, immutable and many of us feared changes to what we believed was immutable. Many of us feared it because it changed the way families are structured. It changed the way our daily, personal and private lives went on. That is why I say it was cataclysmic.

• (1150)

In the face of cataclysmic change, there is obviously going to be cataclysmic reaction.

Even though there was always violence against women, the influx of women into the work force, the changing of the face of national institutions such as this one—40 may not change the face and its features, but at least it changes it to a degree in its topography.

It frightens people and when people are frightened, they behave in a manner that is unacceptable. Sadly, in the case of this society and societies around the world, some of them are behaving in a manner that is lethal.

I applaud the government and most particularly the Minister Responsible for the Status of Women on the appointment of the blue ribbon panel. When I heard the names of the participants on this panel, I knew that their work would result in the kind of report on the issue of violence against women that all of us, the member for New Westminster—Burnaby and all women in the House, have been asked for in one form or another. Many men in the House as well have supported us on this.

That is only one aspect. I bring forward today, along with my support of this bill, two other areas that need government action. not through the avenue of private members, but through government policy.

The first is one that the government is working on, the House is dealing with, but that all of us are very, very concerned about. I refer to the whole question of gun control.

We all know that there are very strong feelings and opinions on both sides of the gun control issue, but there are certain facts that are just not changeable. They are there.

One fact is that in the case of spousal murder, guns are the single most common cause of death, the single most common. That has to be stopped and it can only be stopped by tougher gun control legislation, legislation with teeth.

The second area that has to be taken care of is that of the rape shield which fell last month under the Supreme Court of Canada. I agree with the Legal Education and Action Fund and with various other women's groups in this country that we do not wish the Minister of Justice to be precipit, because this is a difficult and challenging area of law.

We in this Chamber and the women and men of Canada, the vast majority of whom I know are supportive, need to hear that the minister is working on this, that women in fear of assault will have legislation to protect them.

In closing, I want to once again commend the member for New Westminster—Burnaby, the Minister Responsible for the Status of Women and those men in all parties of this House who continue to be supportive of what is a mainstream, serious and frightening issue. It may be the single most serious issue that any of us have been called on to deal with in our political lives.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I would like to join with my colleagues on all sides of the House in speaking just for a couple of minutes on this issue.

It is now two years since 14 young women were massacred in Montreal for the sole reason that they were pursuing a professional career that is stereotypically denoted as a man's job. While this killing justifiably evoked shock and outrage from people all across Canada, a silence surrounds the hundreds of women who are victims of domestic violence each year.

One in four Canadian women will be sexually assaulted in their lifetimes. While 12 per cent of women in Canada are assaulted each year by their partners, approximately 100 of these assaults result in death. The figures for reported sexual assault are assumed to be lower than the actual number of crimes against women committed each year. Many women choose not to report a crime because of the trauma and difficulty involved in

prosecuting the assailant. At the moment the penalty for assault is often lower than that of breaking and entering. For example, a few years ago a 26 year old man received a suspended sentence for assaulting a 13 year old girl.

The government condones or appears to condone this warped priorization by failing to grant the necessary funding to women's groups which are working to end these crimes and to provide support for the victims.

Canada is a signatory to a United Nations document which recognizes the need to achieve a peaceful social environment for women that is compatible with human dignity.

Statistics show that most men who commit violence against women come from a background that encourages that type of behaviour. Thus education and positive preventative action is necessary to stop the vicious circle in which so many women and their families are entrapped.

The bill before the House this morning, and I congratulate my colleague for presenting this bill, represents a national day of remembrance and action on violence against women. It would be a positive demonstration of our commitment to end this violence and grant women the right to safety in our society.

Motion agreed to, bill read the third time and passed.

[*Translation*]

SITTING SUSPENDED

The Acting Speaker (Mr. DeBlois): Since we have exhausted the list of items of Private Members' Business on today's Order Paper, the sitting will be suspended for a few minutes, until noon.

At 11.58 a.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 12.02 p.m.

GOVERNMENT ORDERS

[*Translation*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

The Acting Speaker (Mr. DeBlois): Pursuant to order adopted Tuesday, September 17, 1991, and in accordance with Standing Order 100, I do now leave the chair for the House to go into Committee of the Whole.

The House in Committee of the Whole on Bill C-29, an Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto—Mr. Loiselle—Mr. DeBlois in the chair.

—On clause 2: *Definitions*

The Assistant Deputy Chairman: Shall clause 2 carry?

Some hon. members: Agreed.

Some hon. members: No.

The Assistant Deputy Chairman: Resuming debate. The President of the Treasury Board.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Chairman, today, members of the Public Service Alliance are back on strike. Services to the Canadian public—including services essential to safety and security—are being disrupted.

The government is therefore asking Parliament to enact the Public Sector Compensation Act and put an end to the strike.

On Friday, the head of the Public Service Alliance broke an agreement he had made with me on September 17, not to strike as long as negotiations continued. This action, Mr. Chairman, is most unfortunate. Only 13 days ago, the parties agreed to return to the table, without preconditions, and to make every reasonable effort to reach a settlement.

During this past week, negotiators on both sides held a total of 35 meetings at the various bargaining tables. Treasury Board negotiators bargained seriously and in good faith, Mr. Chairman, and I say this with no hesitation. The offers we brought to the tables were reasonable and within the government wage restraint policy.

The government's wage policy, Mr. Chairman, is well known and has not changed—it was announced in the Budget last February. Its details are a matter of record and familiar to most members of this House. They form part of a series of measures announced in the Budget to bring the country out of the recession while containing the deficit and inflation.

These measures, I may recall, included capping payments to the provinces, freezing total federal program spending, reducing the number of managers, setting inflation targets and constraining wages.

On June 19, before the summer recess, I advised the House that we could not afford to negotiate any increase in wages this year.

[*English*]

I want to remind hon. members that whatever views they may hold on the current situation with the alliance, the government and the country are faced with a fiscal situation that must be addressed. We owe it to the Canadian public to live within the measures announced in the February budget. The deficit and inflationary pressures must both be contained so that interest rates can be brought down and economic recovery can continue.

The measures announced in the budget are working. The recovery has begun and it is now being jeopardized by the strike. I can sympathize with the alliance leadership and understandably they are unhappy with the government's zero and three per cent wage offer.

I said in June, and I repeat today, that the government's offer is not very palatable to the Public Service unions any more than it has been to the government. Yet, we have signed agreements with other unions which have taken what I believe is a very responsible approach. They chose to negotiate settlements within the government's wage restraint program. In doing this, they have agreed to join the ranks of public servants in four other provinces, and that must not be forgotten, that have a wage policy of zero per cent for at least 12 months and, in some cases, for two years.

The Public Service Alliance may be the reason Parliament is now considering passage of Bill C-29, but this union has not been singled out in our application of zero and three. Everyone is subject to the zero, three program.

As I stated in the House last week, performance pay is being suspended for 1991-92, not only for senior management, but for Governor in Council appointees, including the heads of Crown corporations.

• (1210)

When combined with the freeze in salary for this year, the suspension of performance pay results in an average reduction of 5 per cent in compensation for this group of employees. These are harsh, but necessary, measures in times of restraint.

[*Translation*]

The question of wage restraint, Mr. Chairman, has been a most difficult issue for the Public Service Alliance. We knew it would be and I personnaly wish that the government could offer more money to its employees.

As I have said on numerous occasions, 0 and 3 is not what our employees deserve, and it is certainly not a measure of their contribution to public service. It is, however, all that Canadian taxpayers can afford.

Knowing that the government must remain firm in its resolve to restrain spending, we have been as generous as we could in offering to improve the benefits to employees. The offer we placed on the table last week provided for substantial improvements in areas important to the Alliance, such as employment security and protecting the purchasing power of certain groups of employees.

We offered improved benefits in many other areas, and I wish to review these for hon. members, Mr. Chairman, because there is evidence of the very serious efforts Treasury Board has made to reach a fair and reasonable settlement.

My strong preference has always been to negotiate rather than legislate, and I provided our negotiators with the best possible mandate that we could provide as a responsible government under the circumstances. The Public Service Alliance has been greatly concerned about the employment security of its members, especially as it relates to future contracting out and privatization. I think that the concern has been overstated, because the federal government's Work Force Adjustment Policy is one of the best employment protection plans in Canada. About one half of one per cent of employees have lost their jobs through work force adjustment.

[*English*]

The policy provides six months' notice of loss of a job, and employees are given priority for other jobs in the Public Service for which they are qualified or can be retrained.

Retraining can be given for up to two years. Even after being laid off, employees retain their priority for new Public Service job openings for one year. We know of very few other employers, if any, which provide better employment security.

Yet the alliance is asking for more guarantees. In an effort to reach a settlement, we put more guarantees on the table. We told the alliance that we were prepared to guarantee the employment of employees whose jobs are transferred to the private sector as a result of contracting out or privatization.

We also said that those who choose to work for the contractors would receive six months' salary to compensate for lower benefits in the private sector. Finally, we said that a reasonable job offer would be made to any other employees affected by work force adjustments.

On another matter, the alliance argued that some employees would be seriously affected by the zero per cent this year, and that employees earning higher incomes are more easily protected from the increases in the cost of living.

We responded to this concern by offering a one time lump sum payment of $500 to all indeterminate employees in the Public Service earning less than $27,000 a year, which is roughly equal to the average earned income in Canada at the present time.

Some 35,000 employees would qualify for this payment.

[*Translation*]

The Alliance complained that the government was not commited to the principle of equal pay for work of equal value. This is a complex issue that we have worked hard with all unions to resolve.

In January 1990, when the Alliance withdrew from a joint study and when we saw that the outcome was being delayed further, we decided to go ahead and pay out retroactive lump-sum payments of $317 million to 73,400 Public Service employees. Equalization adjustments worth $81 million continue to be paid yearly.

These were the amounts, Mr. Chairman, that, based on current data, the government calculated to be required under the equal pay for work of equal value provisions of the Canadian Human Rights Act.

Because the method of calculation is presently under dispute before a human rights tribunal, the payments were not being incorporated into salary, but provided as seperate equalization payments. However, Mr. Chairman, in an effort to reach a settlement, we offered to incorporate these equalization payments into the base salaries of our clerks and secretaries. Doing this would provide these employees with a larger salary base from which future salary increases would be calculated, giving them more money and, eventually, a better pension.

[*English*]

Treasury Board offered improved benefits in other areas. It offered to pay 100 per cent of the premiums of the Public Service health care plan. It offered to raise the level of reimbursements claimable under the dental plan. It offered to increase the employer's contribution to the premium for disability insurance to 85 per cent from 75 per cent. It offered to increase the number of work place day care centres to 15 from 10. It offered to improve, among other things, vacation leave, shift and weekend premiums and meal allowances.

There is only a limited amount of money available. The cost of any improved benefits would have to be paid out of the departmental budgets established at the time of the last budget. For this year, it would mean that some departments would have to reduce their rate of hiring to replace public servants who retire.

We made, I am convinced, the best offer that a responsible government can make today. To the alliance, it is not enough. We must not forget that the country faces a $400 billion national debt. The interest on that debt amounts to more than $40 billion a year. The cupboard is bare and the alliance is calling for a mediator. The cupboard is bare and the alliance is asking for more.

The wages and benefits that federal employees currently enjoy are a cut above that of the average Canadian worker. Employees represented by the alliance earn an average salary of $33,500 a year, including equal pay, compared to a national average earned income of $27,100. They have a pension plan that is fully indexed to the cost of living. They enjoy, as I mentioned earlier, one of the highest levels of employment security in

Canada, and their over-all benefits are at least comparable to other major employers.

This week Treasury Board is publishing in newspapers across the country an outline of the offer that the alliance rejected. The government has a responsibility to Canadians who must be made aware of the serious efforts we made to reach a negotiated settlement.

• (1220)

It is important that Canadians understand the kind of wages and benefits federal employees already enjoy. It is important because the government and all Canadians have endured serious disruptions in service earlier this month, disruptions that began again this weekend as the alliance called its members back to the picket lines.

[*Translation*]

These disruptions put safety and security at risk, and jeopardize economic recovery. I have already reported to this House that grain terminals could no longer handle this year's harvest, that businesses were facing imminent layoffs because of delivery delays, and essential services were being affected.

We cannot allow these disruptions to resume. The Public Service Alliance of Canada is unwilling to accept the best offer that can be made. The Government must therefore assume its responsibility and legislate an end to the strike.

Some hon. members: Hear, hear.

Mr. Loiselle: Hon. members are already familiar with Bill C-29. We debated its provisions in this House not two weeks ago. I will therefore be brief in reviewing its provisions.

Bill C-29 would extend all collective agreements and compensation plans, so that all strike activities will become illegal. All employees would have to return to work or they could face fines of up to $1,000 a day. Union representatives could be fined as much as $50,000 a day and union itself, $100,000 a day.

As I indicated earlier, the legislation would ensure that everyone is subject to the 0-3 program. This includes the Prime Minister, cabinet ministers, members of Parliament, senators, Parliamentary staff, the Canadian Forces and the Royal Canadian Mounted Police.

The heads and employees of other government bodies that are non-commercial in nature and not normally self-financing are also covered.

The wages of two groups—the Auditing Group and the Computer Systems Administration Group—would be adjusted for the period preceding the current fiscal year, but increases would be limited to zero and three per cent for the following years.

The agreements signed with four unions—agreements that, I am happy to say, are within the 0-3 guidelines—would not be changed by C-29. The bill excludes benefits and services provided under the terms arrived at through the National Joint Council, a union-management consultative body. In this way, Treasury Board can continue to discuss them with all the unions.

[*English*]

Many of the improvements contained in the offer to the alliance relate to items normally discussed at the National Joint Council. These include improvements to health insurance, disability insurance and the dental plans. These improvements were not accepted by the alliance and will not be included in the legislation. To give due regard to the consultative process set up through the National Joint Council, we would like to extend for 30 days the work force adjustment policy and bring these matters back to the National Joint Council and discuss them with all Public Service unions.

The other improvements contained in the offer to the Public Service Alliance would normally be lost to employees. The government is prepared, however, to make one exception. The government agrees that it is easier for higher income earners to protect themselves from cost of living increases when their salaries are frozen.

I am prepared to provide for a one time $500 lump sum payment to all indeterminate employees earning less than $27,000 a year. The cost of this provision will be absorbed within existing departmental budgets.

I am sure that hon. members will agree that these employees deserve special consideration and I urge them to vote in favour of this amendment.

In conclusion, the Public Sector Compensation Act is based on the premise that all of us working in the public sector should contribute to national economic recovery. Because of current economic conditions, the government cannot offer more.

It is unfortunate that we were unable to reach a settlement and had to resort to legislation. Parliamentarians, the Canadian public and our employees, the vast majority of whom are hard working and dedicated to public service, hope for a negotiated settlement.

We must now turn our attention to the task of bringing order back to the Public Service. I ask for the co-operation of all members in ensuring speedy passage of this legislation.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Chairman, I understand from the rules that because we are in Committee of the Whole members get a maximum of 20 minutes to either raise questions or to make statements and, in this particular instance, the President of the Treasury Board to clarify certain aspects of his remarks.

I would like to begin my remarks by asking the minister if he can confirm or deny as to whether over the weekend representatives of the union attempted to get in contact with him for the purposes of exploring various avenues which were open to both parties concerning this particular dispute.

While the minister is on his feet, will he indicate to the House as to why he and his representatives were not available to respond to the concerns raised by the other side?

Mr. Loiselle: Mr. Chairman, I am delighted to answer this question. You will recall, as I stated in my opening remarks, that on September 17 we came to an arrangement between the union and Treasury Board, an arrangement that was so positive that all sides in this House agreed that we would postpone legislating and give negotiation a chance to succeed.

We proceeded in good faith. We had during the week 35 meetings at different tables. We made on Thursday evening two new offers and we expected them to be considered. We did not walk away from the table. PSAC did and called a strike, thereby changing the terms under which we had agreed to go back to the table unilaterally. Under those circumstances we felt that it did not act in good faith and we have to go back to the original plan and legislate.

Mr. Dingwall: Mr. Chairman, the minister has confirmed for members of the House that by his very answer, or lack of details and precision in his answer, representations were made to him over the weekend and that the minister as President of the Treasury Board, who stood in this Chamber not more than a week ago and talked about examples of bargaining in good faith, did not make himself available this weekend, or his staff members, to entertain any proposals from the other side in order that there might be a resolution of this particular issue.

I am somewhat puzzled and annoyed that the President of the Treasury Board would not avail himself of every opportunity to try to bring some peace and dignity to the collective bargaining process.

It does not stop there. I understand that the minister would like to be part and parcel of this debate. He will have his opportunity to participate in the debate. We would love to hear from the minister in his usual colourful language.

I want to put on the record that it was not all that long ago that a decision was made by the Public Service Staff Relations Board which charged that this government and this minister were bargaining in bad faith.

Mr. Loiselle: That is not true.

Mr. Dingwall: The hon. minister says: "That is not true". He will have an opportunity to explain the *raison d'être* of that particular decision and how it affects the collective bargaining process between the government on the one hand and members of the Public Service on the other hand.

The minister knows very well that they have been bargaining in bad faith. What they offered to the unions to go back to the bargaining table was nothing more than a sham to buy time so that they could come back into this House and provoke a situation across this country. That underlines the Tory agenda. I stood in this Chamber not more than 10 days ago and said as much as that and now, today, we have clear, unequivocal evidence that we are in that kind of situation as viewed by the decisions and the actions of the President of the Treasury Board.

• (1230)

I want to ask the minister a second question. Can he share with members of this House the amendments that are being rumoured in terms of what he intends to amend in this particular statute?

I am fully aware that he does not have to do that until we get into a clause-by-clause situation, but I ask the minister this because members of the government House leader's office have been informing us that we will be receiving copies of the amendments which the minister intends to table on the floor of the House of Commons. Could we hear those amendments?

Mr. Loiselle: I suppose the hon. member finds some comfort in listening to himself. I could very easily ask him to telephone the president of the Public Service Staff Relations Board and ask him: "Did you or did you not find the government acting in bad faith?" His answer will be no.

He was asked two questions by the union: did the government act in bad faith and, second, did we make every reasonable effort? The board said we have acted in good faith but we had not made every reasonable effort.

We said: "Okay, let's find a way to go beyond that". We were convinced we had made every reasonable effort: 90 days or 60 days of negotiations, 30 days of conciliation with a union that had started initially, the day after the budget, by saying that "this is a political fight. We will never accept it. We want to fight the government".

We tried to bring back the discussion. As for offers that he described as sham, I would like him to go and tell Canadians, the 146,000 of them who lost their jobs—they have been asking questions about them for the last few weeks—how they would like to accept these offers, all of them.

Do he realize that last year only 230,000 some Canadians tried to enter this terribly badly mistreated Public Service! I tell him that our Tory agenda is to try to get the finances of this country in order; not to destroy the Public Service but to protect it. If we had continued going the Liberal way it would have been disastrous for them, by putting our fiscal situation in order at the time of recession, by doing what other Liberal governments have done. We have negotiated. They have not. They have legislated. We spent 90 days at the table. They have legislated the first day, good Liberal governments. It is because the situation is difficult, and this is what we are faced with. We are committed to try not to raise taxes, not increase the deficit and get the economy to pick up again.

As for the amendments, I do not have the definite list here but I can say that they are reasonably minor. One of them would allow me to proceed with what I have said I would like to do: have this lump sum payment of $500 because the act would otherwise prevent it. There is an amendment which deals with a mistake in conciliation in the French version. It allows me basically to first define compensation.

We are now negotiating with some of our other employees while this bill is in front of the House, until such time as it receives Royal Assent, to continue these negotiations and possibly come to terms. We are bringing in an amendment to correct an oversight in the French version, line 31. We would complete the list of new separate employers because since the bill was printed two new ones have come on stream—it is a minor thing again—the Canadian Polar Commission and the Federal Office of Regional Development. These are the minor amendments we intend to introduce.

Mr. Dingwall: Mr. Chairman, it is interesting to note that the minister now says on the floor of the House of Commons that it is their intention not to raise any new taxes for the purposes of additional revenue.

May I remind the President of the Treasury Board and his colleagues on the front benches that since 1984 there has been a proliferation of taxes on Canadians across this country numbering some 33 new tax increases.

When the minister stands in his place and makes the suggestion that it is not their intention to raise any taxes and that they are concerned about the public purse and the management of the Canadian economy, I can only say that it is not very believable coming from the President of the Treasury Board.

There was a period of time some years ago when the Canadian economy was flourishing at a phenomenal rate, but there was no decrease in the debt of the national government.

An hon. member: It was not the deficit.

Mr. Dingwall: Now the hon. minister behind him says: "It was not the deficit". They like to change their line of argument when it comes to dealing with individuals.

Second, this minister seems to think that he knows all the answers or would like to know all the answers when it comes to dealing with the unemployed. There are many constituencies in this country that have unemployed.

I suggest to the minister that by playing this group off against another group does very little to enhance morale in the Public Service. It does very little to enhance any economic opportunities outside the Public Service.

To make this catcall that there are all sorts of individuals out there who would like to have these jobs, we all know that. The question is: Why has the government provoked an unnecessary strike on the Canadian people? Why has the government done that?

While the minister is on his feet—because I know my time is limited—would he indicate how many of his cronies, his fat cat friends are going to be receiving their bonuses and the magnitude of their bonuses? What will they be? Will he explain that to the Canadian people?

Mr. Loiselle: I have great respect for the hon. member. I hope he will not get into the habit of throwing away things like that which finally tend to disgrace this place.

I am trying to explain fairly what the opposition is. I do not expect him to agree; I know that from the start. He can throw numbers around and try to convince people of things that are wrong.

I will start with his last question. I have said in this House that the government policy at budget time was that everybody would get a zero year. I have said in this House that from April 1, 1991 to April 1, 1992 everybody will have a zero year and those who get a bonus will not get it. They will get zero per cent for that year. That will come of course at the end of the year because the committee sits then. It will come when it is due. They will not get it anyway.

Second, he talks about raising taxes. Should we have taken the Liberal approach to budget making or to fiscal policy? If we had followed the same route, where would our deficit be? It would be $100 billion. Where would our debt be? It would be $700 billion.

We have change the course by cutting $30 billion. Of course we have put the taxes in order. We have made cuts which were opposed each time by the opposition, all of it. We have tried to get our House in order. Each time it was never the right cut, and we managed to get as much income as possible. We have made good progress so that in a few years' time we will not need to borrow any more. It is a tough problem because of what you made of our fiscal situation.

As far as playing one group against another, I would like to remind the hon. member that we are not playing any group. We are asking everyone to contribute his or her share. Is it being against the union to announce to our managers that we will abolish 10 per cent of their positions? Is it being against the union to announce to the provinces that we would cut the growth of transfers for the following year? Is it against the union to put some order, to freeze our operating budgets?

We are asking everyone to make an effort. We did it so as to send out a signal to the others that there was some concern about the recession. There is too much government spending. Obviously, when you have to pay $40 billion interest on your debt, you have a major problem.

• (1240)

We sent out this message, and it was well received because good sound Liberal governments have done the same. Basically this government has tried to be consistent and do a very difficult and unpopular job of getting public finances in order.

Mr. Dingwall: Mr. Chairman, in his opening remarks the minister alluded, in response to a question, to the offer was made to members of the Public Service Alliance of Canada. Can he confirm that he will continue to put on the table the $500 lump sum payment to approximately 35,000 employees? Will he guarantee employment for employees whose jobs were transferred to the private sector, the improved benefits including those for the dental, health insurance, disability insurance, vacation leave, shift premiums, et cetera, as well as payments totalling $81 million a year?

Will the minister agree that that will be included in his amendments?

Mr. Loiselle: Should I? It does not seem to be a very good offer. You call it a sham.

An hon. member: That is right, and now he wants it assured.

Mr. Loiselle: Maybe I should withdraw it. If he had listened to me, I said just a little while ago that we are prepared to pay the $500 because we find that reasonable, but we will find the money from within the operating budget.

All the other issues can be dealt with. It is provided for in the bill, through the NJC. We will do it then and discuss with all unions the job security issue and the other issues.

Ms. Joy Langan (Mission—Coquitlam): Mr. Chairman, the President of the Treasury Board said in his remarks that the chair of the Public Service Staff Relations Board did not find him in fact to have bargained in bad faith.

I would suggest that was the minister's interpretation of the ruling that the chair of the Public Service Staff Relations Board made and not the widely held interpretation.

The minister spoke of citizen safety. I have never, in 30 years as a worker who has worked in the area of collective bargaining, seen an employer who has been so provocative, who has been so sinister, who has been so double dealing as the negotiators from the employer's side in this dispute.

Last Friday the minister said Mr. Bean broke his agreement with the government. In fact, last Friday Daryl Bean from my office, late in the afternoon, spent three hours attempting to reach the minister. During a number of those hours we were aware that the minister was on the third floor of this very building. Mr. Bean wanted to speak to the minister about negotiations, about a new package, and the minister refused.

There have been a large number of people over the weekend who have attempted in fact to arrange for a meeting, or at least discussions between the union and the employer over the weekend so that we could in fact avoid this process we are going through today.

There was a call by Shirley Carr to the Minister for International Trade who assured her that he would in fact pass the message on to the minister. There was a call from Jack Munro who is going to a convention in Toronto today. He was most concerned and called Mr. Spector and was assured that the minister would be advised. Our own leader's office attempted to reach the minister on Friday night.

On Friday, at a meeting between Mr. Capello and Daryl Bean in the evening, there was a meeting set for 2 p.m. on Saturday for further discussions and negotiations. Mr. Capello went to the telephone and returned and said he did not have a mandate to pursue the negotiations and come to the bargaining table on Saturday. This was in spite of the fact that Mr. Bean on Friday night had advised Mr. Capello that he had in fact a new proposal to put before the minister.

I think that the question that was asked by my hon. colleague, the House leader for the Liberals, was a very fair and a very legitimate question. That question was: Did the minister get those messages and, if in fact he got the messages, why did he choose not to make any effort to try and resolve this dispute until it became full blown again today?

There was a meeting on Sunday that the minister spoke to me about earlier, but that meeting was not with Mr. Capello nor with the minister. That meeting was with Mr. Ian Deans of the Public Service Staff Relations Board, who does not have a mandate to negotiate.

Although Mr. Bean had told the minister and told Mr. Capello that he had a new proposal to put on the table, this government took this dispute, put it into the political forum, and then took the weekend off.

I would ask the minister to explain to Canadian people, to this House, and to the Public Service Alliance how, when so much was at stake in this country, the government side could take the weekend off.

The minister said he preferred to negotiate rather than legislate. He said it a few minutes ago in his remarks. We just outlined a whole weekend of people, parliamentarians, people from the labour movement, the President of the Public Service Alliance, and heaven knows who else, who have urged this minister, through various people, to come to the bargaining table. This minister has the temerity to get up in this House and expect us to believe that he would rather negotiate than legislate.

The minister spoke about a one time lump sum for all those earning less than $27,000. He was speaking rather quickly, but I think he said less than $27,000. That would be 35,000 employees.

What about the other 120,000 employees who work for this government? Is the minister seriously suggesting that he expects the union to accept worker pitted against worker? Does he expect the union to accept a proposal that includes 35,000 people, but excludes 120,000 people? Does the minister sincerely believe that any union negotiator could take that back to their membership and expect a ratification? If the minister knows so much about collective bargaining, I find it very hard to believe that he would believe that that was possible.

The minister spoke about equal pay for work of equal value and lump sum payments. That is laudable. I really appreciate that the minister believes in the concept of equal pay for work of equal value. If that is the case, I would like to ask the minister another question: Will he withdraw this government's appeal to the Human Rights Board of the equal pay for work of equal value decision?

The minister talked about Treasury Board improving benefits. I share the question of the member from the Liberal Party who asked whether those benefits would be incorporated into this bill.

The minister spoke about the cost of any improved benefits which would have to come out of departmental budgets. I would ask the minister if that means there will be job losses as a result of those improvements coming through departmental budgets.

The Treasury Board ads this weekend say what the union walked away from. I would suggest that the minister should have a meeting with the Public Service Alliance and see what the minister has refused to look at coming from the union.

• (1250)

The minister referred to safety and security being at risk and that the union is unwilling to accept the best offer that can be made. Surely the minister would, at the very least, take a look at what the union's offer is.

If the minister is not willing to take a look at this offer, we can only conclude that the minister has another agenda, and it is not bargaining with the Public Service Alliance of Canada. I would suggest that the other agenda is a fight for the hearts and the minds of the Canadian people, and that it is a cynical, devious way to impose its will on every group within the public sector: those who were at the table and those who were not, those who are unionized and those who are not, including the RCMP, the military, CSIS and a three-page list of others.

I think it is time for the minister to fess up and not try and fool the Canadian people about what his agenda is. I would, as the last question in this part of my intervention, ask the minister if he does have an alternate agenda to get this legislation through so that he has everybody encompassed, not just the Public Service Alliance?

Mr. Loiselle: Mr. Chairman, I wonder if the president of PSAC was in the hon. member's office when he decided, as an answer to our latest proposal, to go on strike.

No? Well he must have been very close then, from what I hear.

We did not leave the table, PSAC did. We made offers on Thursday evening and the following day. As an answer, they went out on strike. We took it that our offer did not seem to be agreeable to them and, therefore, we said: "What choice do we have?"

We had an arrangement. They say we have new proposals now. We had been at this for 90 days before the strike. We had 35 meetings last week, extensive meetings at many tables. Where were these offers? It sounds a little strange to me that suddenly some new offers would emerge that would be acceptable.

Mr. Bean knew, before we went back to the negotiations, exactly what our position was. We said that we had a limited margin of manoeuvre but we would do everything we could to make it as positive as possible, and that is what we did. We do not seem to be able to reconcile this with his request. Therefore, we have no choice but to proceed with the bill.

The hon. member says: "I have never seen an employer who acts in such a provocative way." I could give you names of dozens of employers who had to lay off people all over Canada.

Some hon. members: Let's hear them.

Mr. Loiselle: They were in a much better financial position than we are. We have a debt of $400 billion, and a deficit of $30 billion, and we are trying, all around our

budget, to try to make these cuts and lower the deficit as we have been over the last few years.

The hon. member said that at the last minute Mr. Bean wanted to make offers. Well, I personally found it rather surprising that he decided to go on strike at ten o'clock on Friday, and to learn, as we are still at the table, on television that the negotiations are over. We did not break the negotiations, he did. Now he can always claim that he could have acted otherwise, but I do not agree with that.

The hon. member says that we are pitting members against members and we may have a secret agenda. We have only one agenda. It is to try to get the finances of this government and of the country in order. It is a difficult agenda. It makes for very, very difficult decisions that affect everybody. Of course, it is at a time when we are in a recession, as we were at budget time, where we knew there would be some recovery in the summer and early fall, but that could be threatened by governments losing control over their finances, because during a recession you have more money going out and less coming in. But these are considerations we took into account. We also saw that there was a great threat to the inflation path, which is a great menace to our employees and to our workers. So we decided to send out a clear signal, to set inflation targets, and to act accordingly.

One of the greatest threats in the analysis that was made of the over–all economy was that the unit labour cost had increased by 25 per cent in Canada over the last few years, compared to zero in the United States, and we were not being competitive.

Therefore, we decided that as part of a package, dealing with managers, transfers, and operating budgets, we would ask our employees to make an additional sacrifice, thereby sending a message which was received.

Most provinces have taken difficult decisions. Some of them have gone beyond. They have not negotiated, as we have, and tried to get the best possible deal. They have legislated. In some instances, zero per cent for two years. Therefore, I consider that we acted, not in a provocative way, but in a responsible way.

The member referred to equal pay for work of equal value. I am glad that she recognized that this government, at least, has done something very important to conform itself to the law, by giving, in one lump sum payment again, $370 million, which is a considerable effort in our present circumstances.

Then we said that we would continue to contribute to some 75,000 employees $81 million a year. This is our analysis of our commitments.

The member asked: "Will you withdraw your appeal"? What are we appealing? We disagree very strongly with an interpretation that has been given of the meaning of these principles which were approved by the House. We are just trying to get confirmation that our interpretation is right. This is what we are doing.

The alternative proposal would cause a lot of ratcheting, where averages would be made, and would cause all kinds of destruction within the system. We feel that is not at all what the House intended. Therefore, we are proceeding in a way we think is right.

We say that we will be taking these additional resources for the $500 one time, lump sum payments out of the operating budgets, and that some positions will be threatened. Of course. I do not disagree with that. Do we start printing money, borrowing more money, or raising taxes? We are trying to manage within our existing resources. It is tough, but we are doing it. It will mean that posts will stay there, but they will not be filled as quickly as they would otherwise. We will try to come up with these sums through a better allocation of the existing resources.

Again, I would repeat that when the member says we have not made every reasonable effort over the weekend, I would ask where she has been over the last few months. We have been at the table for 60 days. We have been at conciliation 30 days. We went back and stayed for 35 different meetings and not one offer came from PSAC.

In the still of the night, having decided to go back on strike against the solemn agreement we had reached in my office, she says maybe we should sit down and talk. Well, I do not agree with that at all. I think the only way now is for us to legislate.

Ms. Langan: Mr. Chairman, I am glad the minister answered one or two of my questions. I noted that he referred to everything I referred to, but chose not to answer most of what I asked.

I want to make it perfectly clear to the minister that when I referred to Daryl Bean being in my office, I referred to him being in my office on Friday, late in the afternoon. The minister said to me, earlier today, that he was aware that letters went out from the union on Thursday. Do not try to confuse when anybody made decisions about things, or when people decided to start bargaining or not to bargain.

The minister said he wanted to make it clear that he thought it was unfortunate that the union brought in a last minute offer. Well, I would think that if the minister has ever been to the bargaining table: "It ain't over until it is over". People continue to try until the last minute to avoid a labour dispute.

Mr. Bean called a strike, which is very usual. He has a legal right to call a strike and he then had an offer.

• (1300)

All the way through bargaining people change their offers based on what gets put in front of them, what will fly, what will not fly. It is not unusual to have new offers all the way through bargaining to take something and try to change it, massage it so that it will be acceptable to the other side.

The minister should not try to infer that they are the only puritans here who ever tried to settle this dispute.

The minister referred to the Human Rights Commission and that he wanted to make sure his interpretation was right instead of the Human Rights Commission's decision. It is so like this government. If it does not like the Human Rights decision, it appeals it. If it does not like the conciliation, it ignores it. If it does not like the union, then it hammers it.

I think what is important here is for us to take a look at why we are at this point in this dispute. I would really like an answer from the minister: Was it his plan to end up having this legislation passed so that he could encompass everyone and not just the Public Service Alliance?

[*Translation*]

Mr. Loiselle: Mr. Chairman, this is obviously a somewhat philosophical disagreement. The hon. member is giving me pointers on how to conduct bargaining. I would point out that, last Thursday night, we tabled new and improved proposals and that, as far as we were concerned, Mr. Bean had gone to consult with his membership and would be back to let us know what they said. The decision was his to go on TV at 10 o'clock on Friday to advise us that they were going on strike.

He chose to put an end to the bargaining process, which I deplore because we did try to bargain. Sixty days of bargaining following the tabling of the Budget, 30 days of conciliation, 35 meetings during which the union obviously never intended to accept the government wage policy. As a matter of fact, Mr. Bean stated publicly: "This is no ordinary strike. It is a political strike. We are after the government's skin." Still, we did not make a fuss. We said: "Listen, he is entitled to his opinion. We will give it a try." We could have done like several provincial governments and refuse to bargain, but now we are being blame for not having bargained enough. Those governments, Liberals and others, legislated zero per cent wage increases on the very day of the Budget and, in some instances, reopened collective agreements that had already been signed. And now they come and take us to task! They imposed zero per cent settlements for two years and they come and give us a lecture! And we are told that it was provocation to act responsibly in the administration of our budget! Go and ask the Canadian people who were laid off these last few months how they would feel about accepting such offers. And how do you explain that 234,000 people applied last year to join this public service of Canada which treats its employees so poorly according to the hon. member?

We have bargained in good faith. Mr. Bean gave his answer when he announced they were going on strike. Now, our answer to him is: "We had an understanding. If you strike, we will legislate you back to work. The strike is on and so is the legislative process.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Chairman, I want to make some introductory comments and ask some information of the minister before moving an amendment to clause 2. It seems to be something that the minister himself has failed to deal with in the amendments that he has suggested will be moved.

I want to go back to the process. Some time earlier this year, five, six, seven months ago, depending on the particular group in question, the government was in a position to negotiate with its employees. The minister keeps saying that it did negotiate. He tries to deny that

the Public Service Staff Relations Board made a finding of bargaining in bad faith.

I can only quote from the findings of the Public Service Staff Relations Board: "The insistence on conditions precedent to negotiating terms and conditions of employment at the bargaining table is incompatible with the requirement to make every reasonable effort to negotiate a collective agreement. Accordingly, the board declares that the employer has acted contrary to section 51 of the act and orders the employer to comply with section 51 of the act".

That is precisely what bad faith bargaining is. The board ordered this government to comply with the law of Canada. The government instead chose to use this decision and its legal obligation to go back to the bargaining table as a bargaining tool, another sledge-hammer to hold over peoples' heads to force them back to the bargaining table under conditions which would see the bill that is now before us passed very quickly, with little debate and with no amendments.

An hon. member: Send the Tories packing.

Mrs. Catterall: The key issue here is that problems should be resolved by talking. The minister has refused, as President of the Treasury Board, to speak directly to the president of the Public Service Alliance of Canada since last week.

He has not returned calls from the chairman of the Public Service Staff Relations Board, whose responsibility it is to make sure this system works. Mr. Deans is chairman of the Public Service Staff Relations Board and is anxious to offer his services in an attempt to reach a fair settlement here without having to resort to strikes and back to work legislation.

The government has adamantly refused to take a reasonable step of appointing a mediator who might shine some light on this situation, who might actually lead us through the tunnel to a conclusion.

An hon. member: Where is the mediator, Gilles?

Mrs. Catterall: One has to ask why the government refuses to appoint a mediator. I can only conclude that it is precisely for that reason that it does not want light shed on this situation, that it does not want an objective view of the situation made available to the Canadian public which can then determine whether the government is acting fairly. I believe it has already passed judgment on that.

People know it is not fair when somebody earning $500,000 gets a bonus of $80,000, which is equivalent to the full and entire salary of four Public Service employees.

I want to touch on a few things that the minister has touched on before I come to some questions. I want to touch on this very generous "$500" that is being offered to the lowest paid employees.

I wonder if the minister when he responds to some of these points can tell us why he thinks it is fair that somebody earning $26,999 under his offer would get a signing bonus of $500, but the person earning $27,000, one dollar more, would get no such bonus. The person earning $26,9999 ends up earning more than the person earning $27,000. That seems like a little bit of an "Alice in Wonderland" scenario and perhaps the minister could explain it to some extent.

An hon. member: That is Tory economics.

Mrs. Catterall: The minister knows perfectly well that $500 on a $20,000 income that gets spent entirely on goods and services that a family needs—you do not have any money to save and you have no money for luxuries—does not pay the increase in costs brought about by the goods and service tax for that same family or individual in the past year.

The minister also knows perfectly well that if people were out on strike for a matter of seven days, the savings to the government were far more than the cost of that $500. The savings were far more.

Members across the way keep shouting: "Where are we going to get the money, where are we going to get the money to treat people responsibly who are responsible for no more in their payroll than 3 per cent of the entire national budget".

• (1310)

I guess I would ask the minister to look at the other 88 per cent of the budget and say: "Are these the people who really have to carry the burden of this government's mismanagement of the economy?"

In six consecutive budgets this government, increasingly tightening the ratchet, has said to the people: "We are going to get rid of public servants", and it brags about cutting 90,000 jobs and affecting 34,000 individuals, "we are going to restrain their pay so that they are losing

money against inflation." They are actually losing purchasing, not just staying even. That is going to solve the government's deficit and debt.

People might have believed that in the government's first budget in 1988 or its second budget in 1989 or its third one in 1990, but by 1991 and 1992 they are starting to get a little suspicious that this government does not know what it is doing. It keeps proposing the same solutions and it never solves the problem. The problem continues but it keeps proposing more extreme versions of the same solution.

Anybody who has not been able to solve the problem in six years knows it is time to start looking for another solution.

I would like to hear the minister explain why the employees of the government get nothing this next year, but people on contract—and people on contract are earning more than the entire payroll of the Public Service Alliance—have no limits placed on them. I would like to hear the minister's explanation for that.

Finally, I want to talk about pay equity. I make it absolutely clear that for the Liberal Party, pay equity is not negotiable. I resent, on behalf of every woman in Canada, that this government is placing pay equity on the bargaining table to be bargained away in exchange for other benefits. This is a legal right that women in Canada have, the right to equal pay for work of equal value.

We will be proposing amendments that require Treasury Board to immediately implement a roll into salary of those equalization payments which it has been making to women instead of full wages and salaries in recognition of the work they do and to, within a year, fully implement pay equity.

There are a number of issues that will be raised, but given that we are now on clause 2, I want to talk particularly about the bonuses. The minister has done an absolutely phenomenal amount of skating in the last week, having introduced a bill just two weeks ago that specifically exempts bonuses and any other type of premium differential, other emolument or benefits paid in respect of circumstances specified by the Treasury Board, i.e. $80,000 extra for people who are already making $500,000. I did not hear him mention, and maybe I missed it, that he is taking that exception out of the bill now.

Having specifically exempted those bonuses from the application of the zero, three per cent budget guidelines, he was then faced this week with having to say: "Well, no, no, no, they are not going to get any increase on those, they are not going to get any bonus or any performance pay or any of that stuff at all."

Until I see it in legislation, I do not really know what the minister means and I do not think anybody out there knows what he means. They know that two weeks ago he tabled legislation that exempted bonuses from the zero per cent freeze and the 3 per cent cap and then they saw him this week trying to skate around that and pretend that he was going to do something else. If he is going to do something else, let him do it in legislation.

Before the President of Treasury Board responds to some of the points I have made and allows me perhaps the opportunity to make other changes, I know it is highly unusual to move amendments to the definition clause of a bill, however there is really no other place in the bill where this is dealt with.

I move:

That Clause 2 be amended at page 3 by deleting lines 2 through 6 and substituting the following therefor:

—amount of pay—

What we are taking out is that this bill does not include allowances, bonuses, differentials, premiums or other emoluments or benefits paid in respect of circumstances specified by Treasury Board. That makes it very clear that the commitments and statements the minister made this week that zero and three apply to bonuses are in fact true in legislation and not just in rhetoric.

The minister has often commented—and I would not use personal examples except that the minister uses it so often—that he has been through a 20 per cent reduction in his salary. I suspect that that 20 per cent reduction was not on a $20,000 salary. The next time he uses that example he might want to tell people exactly how much he was earning after his 20 per cent reduction and how that compares to so many of the people who are now without a contract.

One final comment: One thing I have found most discouraging this week was when the President of Treasury Board refused to speak directly to the president of the Public Service Alliance and communicated through his staff. He had staff report that they were prepared to

give this $500 bonus to 35,000 members of the alliance. Wow, 25,000 of those were women! How any employer can brag that 25,000 of 35,000 of its lowest paid employees are women and that it has not implemented full pay equity, I fail to understand.

You have the motion moved, Mr. Chairman, and I would appreciate the minister's comments on some of the points I have raised.

[*Translation*]

The Assistant Deputy Chairman: The Chair will consider the amendment moved by the hon. member for Ottawa West and will take the admissibility of this motion under advisement.

That being said, I again recognize the President of the Treasury Board.

[*English*]

Mr. Loiselle: Mr. Chairman, the hon. member has made a great number of points. I will try to address them as succinctly as possible. I think one of her first points was to deny that we had made, I would say, an honest effort at negotiating.

I would like to remind the hon. member that this sounds a little strange inasmuch as we have reached settlement with some of our unions within the zero–three range. We have reached agreement with unions. We have even obtained conciliation board reports recommending acceptance of settlements within the zero–three range.

It is not so far-fetched. We have made efforts and we have been successful. For example, with PIPS the board report recommends acceptance of a settlement within the range. Therefore, I should not think that we were not throughout the exercise failing to try to achieve a settlement. Far from it. We have tried from the start. We knew that the zero-three perspective was not a pleasant one, and we understand that.

The hon. member referred then to article 51 in which she said that we had been found, therefore she concludes, guilty of acting in bad faith. I would insist that this is not the case. The union asked the Public Service Staff Relations Board two questions: Did Treasury Board act in bad faith and, second, did they make every reasonable effort?

Article 51 contains these two possibilities. The board came to the conclusion that we had not made every reasonable effort, not that we had acted in bad faith. I think that should be clearly stated.

The hon. member then said that I refused to meet with the president of PSAC. I must admit that we have been in touch with PSAC at the table away from the table. My negotiators have been talking to Mr. Bean on an ongoing basis. I have been kept fully informed. I met him before we decided to sit down, and I told him how it would unfold and what the limits were of our mandate. He agreed to sit under those conditions, that he would bring his members back and we would end the legislation. Then the negotiations took place and the information was that no counterproposal was coming. What is the point of having a mediator? We had our proposal on the table and the answer we got is that they went back on strike. Therefore I do not see any point in having further negotiations since we have not been making progress for the last few months.

• (1320)

The hon. member mentioned once or twice the bonus question. I suggest that her salary and her allocations are higher than those of many members of PSAC, and I suppose there is a reason for that. So is mine.

We have also chairmen of large corporations who have to compete in the real world. Of course when somebody gets $300,000 in salary it is seen as a very high amount. I must say that it is. That being said, managers also have a component which is performance pay. This is a valid way. We have set out a board to grant them.

What will happen for 1991—and I would like this to be very clear—is that we have frozen everything. We have frozen everything. These bonuses are given at the end of the year, from April 1991 to April 1992. They will be evaluated and, whatever the recommendation, they will get zero. I cannot recommend them now, but I guarantee at budget time the decision was everybody would have a zero year.

We will come to members of Parliament. We begin on January 1. This is our year. Bringing it forward will cause all kinds of problems, like it will cause Parliament to have a higher increase but for a shorter period of time. We said let us maintain it as we have with the unions. They did not get their contract ended at budget time. Some of them ended in August and others in September.

For the managers, they already started in April to have their salary frozen. Their bonus will be paid at the end. They will be paid zero dollars.

I would like that to be put to rest. In my view even for our managers in the Public Service, I think it is a good idea to have this combined salary and performance pay. This is a very good way of rewarding our managers. This was done anyway by taking the money from within. That being said, this year they will also get zero, which is indeed going back 5 per cent.

She talked about the money we could have saved by people being out on strike and not being paid. I would tell her with respect that when people are out on strike—public servants are important persons—they create a vast amount of destruction in the country. This has occurred, so it is far from clear at this time that the over-all balance will be positive. When you have in the grain industry the destruction we have seen, when we have in the airports the destruction we have seen, there is much less money coming into the government. In the end we may end up losing and not gaining any money.

As far as saying that $20,000 is not much money, I would not disagree with her at all. Of course it is not much. That is why these agreements, these salaries have been negotiated in the past. That is where we are through good negotiations.

I would say that this year we will freeze everyone, but we understand that for a certain group of people it is more difficult. We decided to make an effort within the capacity we have by freezing and taking the money from within the operating budget.

We can throw more money out, pay more money, grant higher salaries, but the alternative is a greater problem for us or for any government down the road. Next year we will be paying close to $41 billion in interest on the debt. We can of course go out and borrow $1 billion and make people happy for a little while, but this is a road to disaster. Our own employees would be very quickly threatened. They cannot be immunized from the over-all problem that is facing this economy and they should be part of the solution, as other Canadians are part of the solution.

She referred to people on contract. If they are hired on contract, they usually have the same treatment as the indeterminate employees and other contracts where you try to get, whatever contract you give, the lowest possible cost.

As for pay equity, I would like to know where her party has been all these years. We are the government that has given $317 million for pay equity and which year after year is committing $81 million for pay equity, not the Liberal Party. This problem has been an ongoing one and at long last we are doing something about it. The member should congratulate us instead of blaming us.

The member said that I took a cut. There was a decision taken by the Quebec government. I must say that I do not remember how much money I was making. I can probably confirm that it was not $50,000 but, whatever it was, it was a substantial cut. I did not like it. It was certainly much worse than a freeze and it went throughout the system. Some of those who had lower salaries did have to take this in their stride.

As for cutting off, why cut at $27,000? Of course there has to be a cut-off point, but we are managing as you will see in our proposal a gradation so that we will try not to have people pass over others and so on.

Basically the hon. member has raised a number of points. I have tried to answer most of them. I would like to go back to the basic principle. We made this decision at budget time because we needed to be sure that the finances of this country and our management would not be derailed. There was a recession with far fewer taxes coming in and far more money going out. There was a danger that when the economy started picking up again, the governments would be there scooping all the money available. We did not want that. We sent out a clear signal that we were committed to clear inflation targets.

Do you know what, Mr. Chairman? It works. The recession is ending and the economy is picking up again. That is why we cannot allow this strike to disrupt this very fragile recovery.

Mr. Rod Murphy (Churchill): Mr. Chairman, I find it a very unusual process we are going through today, listening to the minister. The government sounds like it is willing to negotiate. It sounds as though somehow the Public Service Alliance has forced them into this horrible situation of back-to-work legislation. It some how

tries to give us the impression that it has been reasonable.

However, the whole record of what has happened since budget day in February indicates that the government itself has been reluctant to negotiate openly, has been stonewalling and is trying to have its own definition of what the Public Service Staff Relations Board ruling was all about.

When it knows that there is an offer by the Public Service Alliance, and it has known for a number of days now, it is refusing even to look at that offer.

The minister any number of times today has said: "Mr. Bean called the strike". Somehow he says that that means we do not have to negotiate any more. The government knew at ten o'clock Friday morning that there would be a strike. Their negotiator had meetings scheduled even after the strike was called, and they met. The government had not said: "Okay, there is a strike. We stop meeting". They actually had a meeting at seven o'clock Friday evening. At that time, after the strike had been going on for over five or seven hours, depending on which part of the country you were in, the government said: "We are walking away from the table". It did that knowing that there was something coming from the workers, from their union.

It is as if this government does not want negotiations to succeed. It is as if it was afraid that it might get an offer which was reasonable. We know that any progress that has been made to date has not been made at the government initiative.

• (1330)

The government said: "Zero, that is what we are offering". We will have an amendment today which says that it is going to give a lump sum payment of $500 to those at the lower end of the pay scale, not to be rolled into their wages, not to count for their pension plans or any other benefit they may have in the long run, but it will give them this lump sum payment.

It did not do that out of generosity, because that has not been the government position from day one. It did in in reaction to public opinion. This government knew it was being devastated by public opinion on how it was treating its employees at the low end of the pay scale. All of a sudden it starts to move.

Why did it go back to the negotiating table two weeks ago? Not because it wanted to negotiate, but because it had a ruling by the Public Service Staff Relations Board that indicated it was violating its own laws, that it had not made every reasonable effort to negotiate a collective agreement.

Again, the government knew it was not winning the battle of public opinion. It could not defy its own laws. As the ruling of that board stated, it is an employer like other employers and should be expected to follow the laws of Canada.

When I listen to the minister saying: "Well, it's the union's fault. It wanted too much. It said our budget was political and it was going to fight this political budget", I think he should actually listen to what he is saying. It did not want to negotiate. It refused to negotiate money until it had to negotiate money. It was not going to do anything for the employees at the low end of the pay scale until, again, the public forced it into it.

Now we have a situation in which members of cabinet have been called, people in the Prime Minister's Office have been called saying: "Get back to the negotiating table". My colleague from Mission—Port Moody went over to him earlier and said: "You know you've got an offer. Why don't you go see what it is".

I hear one of the Conservative backbenchers, pardon me, he is a member of the cabinet now and that is the Prime Minister's mistake, saying: "Why didn't the union make that offer Friday morning?" The point is, we have had time.

This government did not announce to the public that it was bringing back this legislation until this morning. It had time Friday to consider this offer. It had all day Saturday to consider this offer. It had all day Sunday to consider this offer. It is unreasonable for the government not to make every reasonable effort to resolve this dispute in a peaceful manner.

Whether there was a strike Friday afternoon or not, the government has had the ability to listen to its employees, to sit down with its employees. As the heckling and hackling from across the way indicates, that is not its chosen route. It does not want to sit down and negotiate. It does not want to work in good faith.

The minister does not have to withdraw the legislation from the House. He could be meeting right now. He could be sitting and trying to work this out, but that is not the government's way. That is not this government's way.

I find it ironic that at the same time that the Prime Minister and others from the government have called upon Canadians to try to work things out with regard to the Constitution, saying we should be listening to each other, talking with each other and not prejudging the situation, this government is not doing exactly that with its own employees. It is refusing to talk. It is refusing to consult. It has prejudged the situation because it will not even look. It will not even meet with the workers to see what the workers are now offering.

I find it ironic that this morning we have some indication that with the mediator we are having some progress in the talks between CUPW and Canada Post.

One of the things that has been suggested over the last two or three weeks is that we have a mediator to try and resolve the dispute with the Public Service Alliance. The government has refused to do that, and yet it was its own Minister of Labour who insisted that Canada Post and CUPW sit down with a mediator and try to resolve their dispute. Again, the federal government is saying: "We don't play by the rules that everybody else must play by". It does not play by the same rules that it expects everybody else to play by with regard to our Canadian Constitution. It does not play by the same rules that it expects Canada Post and the postal workers to play by. It sets its own rules. That has been its approach from day one.

I am going to give the minister a chance to respond. I want to ask him a very simple question: What harm does it do if, while we are proceeding with this legislation, he should sit down and meet with the senior people from the alliance and hear what they have to say? What harm would that do to the public of Canada?

Mr. Loiselle: Mr. Chairman, I do not share at all the interpretation put on our negotiations by the hon. member. He seems to forget that this did not start Friday; it started some months ago. We have been at the table with PSAC for 90 days. We were at it again this week. What good faith can we have in PSAC?

Let me read you a document signed jointly by the two of us:

> PSAC has agreed—and directed its members to return to work at that time and for as long as negotiations continue.

It left the table. We did not. We put new offers which it did not want, and we feel it is useless to continue this process because it has acted in bad faith, indicating to us that it was not at all interested in pursuing these negotiations. We did not walk away from the table, it did.

Mr. Murphy: The minister has refused to answer the question I asked. I cannot force him to do that in the House.

I do not think we should spend time worrying about whose fault something is right now. If you take a look at the Public Service Staff Relations Board ruling, whether the minister likes it or not, many people would certainly perceive that he and the government were found guilty of bad faith bargaining, whether the words were specific or whether it was general, saying that the government did not make every reasonable effort to negotiate a collective agreement, and those words are found in that ruling.

I again ask the minister the question that many reasonable Canadians would ask: What harm does it do him, what harm does it do the government, to sit down and meet with the leadership of the alliance—while this legislation is proceeding, if necessary—and why will he not do that for the benefit of the public of Canada?

[*Translation*]

Mr. Loiselle: Mr. Chairman, while we had chosen to negotiate—that is why I find my colleague's accusations strange—several other governments facing situations similar to ours chose to legislate.

Mr. Blaikie: Answer the question!

Mr. Loiselle: That is precisely the question. The government chose negotiation. It did so in good faith. We returned to the table; we made new proposals and the union chose to leave the table, saying that our proposals were unacceptable—I suppose so, otherwise why would they have quit? Therefore, I do not see how this process could serve any purpose whatever, except to waste our time again.

SPEAKER'S RULING

The Assistant Deputy Chairman: Before recognizing the next speaker, the Chair, after considering the motion presented by the hon. member for Ottawa West, declares it in order.

• (1340)

MEASURE TO ENACT

Mr. Gilles Bernier (Beauce): Mr. Chairman, I welcome the opportunity this afternoon to speak to Bill C-29, introduced by the President of the Treasury Board.

I have been covering my riding for many weeks. In fact, in three months, I took part in 12 open-line shows and heard a number of comments from the average working man in my riding and, and today, Mr. Speaker, we are proud to support a bill that although it may hurt one group of citizens, those citizens enjoy considerable security, unlike many others who have lost their jobs, are living on welfare and are constantly looking for work, not just in Beauce but across Quebec and Canada.

When I was elected a second time in 1988, this government was elected to make certain decisions. Canadians and Quebecers were saying: "You must reduce the deficit, you must deal with the deficit and with excessively high government spending. You must control inflation. Interest rates are too high".

Since that time, since November 21, 1988, we have taken steps that were not popular but they were necessary. The Prime Minister has said, both inside and outside the House, that our government was faced with a disastrous situation as far as the country's finances were concerned. We know this government's record, and we know the measures we took were not popular. However, we had to do this, we had to take corrective action, and I think we are on the right track.

Mr. Chairman, we are now experiencing a recession. Economic recovery may still be fragile and perhaps hardly noticeable, but at least there are encouraging signs across the country and especially in my region. I would like to point out, however, that this recession is a global phenomenon. Today, if the government does not take the necessary action, it may end up like other countries that have faced problems even worse than those we are facing today.

It is not easy to defend the government's bill. It isn't easy to tell people: You won't get a raise this year. Your wages will be frozen during the first year, and you will get 3 per cent the next year and 3 per cent the year after. It isn't easy, but in the circumstances it is the sensible thing to do. It takes a lot of courage to support this kind of decision by our government but I do so willingly, because I know it is in the best interests of the people of Beauce and the people of Quebec.

In Beauce yesterday afternoon, I saw 132 people at a meeting, where I was asked all kinds of questions about this bill. Finally, I asked how many of these 132 men and women, all adults, had job security. One had job security: he was a federal employee who worked in Quebec City for Agriculture Canada, so he wasn't even a resident of my riding. So out of 132 people, 131 did not have job security.

Mr. Chairman, today we are faced with a situation that will get completely out of hand if we do not take corrective action. When we talk about the problems facing all regions across this country—in Quebec for instance, in Central Quebec, Abitibi, the Gaspé, the Montreal area, the Lower St. Lawrence—in all these regions the economy is in trouble, and people are doing everything they can to keep existing industries alive.

In the private sector, sacrifices are made to keep businesses afloat, to avoid going bankrupt. Some employees have accepted not just a wage freeze but wage cuts to keep jobs that pay $6.50, $7.00 or $7.50 an hour, so I think our federal employees are not being treated that badly.

Mr. Chairman, let me give you some figures. I believe that federal public servants now, if I am not mistaken, have an average annual salary of $37,621—yes, that is the average—fully indexed pensions, one of the best job security plans in Canada.

Furthermore, they have a dental plan fully funded by the government and benefits like health insurance and disability insurance. I asked the people of Beauce whom I saw yesterday, "How many of you have such benefits?' ' Not one. These programs are fully paid for by the government. Sick leave with full salary, generous leave and vacation benefits, family benefits like paid maternity leave.

So, Mr. Chairman, when we talk about wall-to-wall protection, of course there is room for improvement. If we were in a better financial position, we could give

them increases of 2, 3 or 4 per cent this year, but we decided to set a zero increase for one year.

Mr. Chairman we have a job to do here, all of us, whatever party we belong to. We must consider the interest of the country, that is, the interest of those who live here. I am encouraged that many people support us. You will read the editorials this morning in the various newspapers, and I know that the English-language editorials throughout the other provinces encourage us to continue this debate and end this purely political strike.

Mr. Chairman, there are ways to solve these political strikes. Mechanisms exist, customs and traditions must be observed. It is called democracy. In two years, if these public servants are not satisfied, they will vote against the government and will express their opposition democratically, not by coming to invade Parliament with people who are not even public servants but have been brought together to disrupt the atmosphere of Parliament.

Here is what the editorialist of *Le Soleil*, which is quite a serious newspaper in Quebec, called our civil servants this morning: the government's spoiled children. That was not written by a Conservative MP but by an independent editorialist, who more often than not has been strongly critical of the government. "Donahue closes brand-new plant in Matane." "Massive layoffs at Domtar." "Number of welfare recipients and unemployed reaches new high." "Montreal's economy literally collapsing." That was how he began his editorial.

Day after day, the headlines are full of layoffs the private sector is forced to go through. But I must tell you that I do not believe that Conservatives dominate the political situation in England, Germany and France, but they still have the same recession we do.

Job security has become a priceless asset in recent years, what with two recessions. This protection is even more valuable in the public sector, sheltered from the economic difficulties related to competition and productivity, which can lead private companies to lay off workers even though they have a job security clause on paper.

The only ones who have not been hit by the recession in the past two years are public servants at all levels—municipal, provincial and federal. Name me some people who have been hit by the recession! Mr. Chairman, the people of Beauce listening to us today are shocked at the attitude of public servants who act in this way and do not agree to make the sacrifice imposed on other Canadians and Quebecers.

Here is another editorialist, Pierre Gravel in *La Presse*. As far as I know, he is not connected to the Conservative Party. "Nothing works any more. A miraculous eleven-day strike was not enough to establish a productive dialogue between Ottawa and its 150,000 public servants and nothing indicates that a new miracle will produce results in the short term."

His editorial, which is too long to read in full, Mr. Chairman, says: "The confrontation has ceased to be just a labour conflict between the government and its unionized employees and again become what it always was: an essentially political debate with the government over its budget priorities."

• (1350)

In the present situation, exacerbated by constitutional tensions, Canada cannot afford, Mr. Chairman, to have its public service tied up for a long period of time. Neither can it put up with its devastating effects on industrial or business concerns which are already in a sorry state.

Therefore, the government must have the courage, the guts, of seeing its logic through and must pass as soon as possible special legislation to suspend the right to strike of civil servants and to set their conditions of employment.

About the union members, and I will close with this, as far as the author of an editorial published in *La Presse* this morning is concerned: "they must understand that it is no longer on the picket lines that their political fight is to be fought but at the place where democratic societies pass judgement on governments' decisions, that is in the polling booth. Make your views known at the next election."

Now, I have a piece of advice for Mr. Daryl Bean, president of our civil servant's federation. I heard Mr. Bean say on television this week end that they were going out on strike, leaving the table because the other side as bargaining in bad faith—a fact the President of the Treasury Board denied earlier—and that there would be acts of violence. I think that his role is to prevent such acts of violence and to tell his members to demonstrate publicly but peacefully.

Mr. Bean even declared to a Hull radio station this morning—I heard him—that he would defy the law and was ready to go to jail. I hope, Mr. Chairman, that the legislation can subdue these people who are giving Canadians, Quebecers and people from Beauce a bad image with their exaggerated demands.

Why does the government offer zero–three–and–three to civil servants while the inflation rate is at 6 per cent? We were asked that question. That fact of the matter is that this country and this government are facing a difficult financial situation. Members opposite know it full well, particularly those from the Liberal Party to whom we owe this accumulated deficit going back to nearly 25 years. The wage restraint policy affecting government employees is but one of the steps taken by this government to reduce the deficit and the inflationary pressures. We are going to succeed, no doubt about that, Mr. Chairman.

I must warn you that my colleagues are going to speak in favour of this bill. We will pass it, even if it hurts, because we are not here to win a popularity contest but to administer public funds as best we can with the tools at our disposal.

In my opinion, based on what civil servants from my area told me over the weekend and last week on the phone, in letters or in person when they came to meet me at my office, people are not ready to go on strike, they do not want to strike. Daryl Bean makes decisions alone with his senior executive for the major cities, but in our area, in the riding of Beauce, our civil servants accept their working conditions. Sure we have secretaries earning $27,000 or $28,000 a year, but in our area, some heads of families do not even earn that much. They do not get half or even one quarter of that amount in UI or welfare benefits.

So, when I see hundreds of people lined up at Employment and Immigration offices today to try and find out if there are jobs left in Quebec and in Canada, I tell myself these people must be protected.

There is one thing the opposition failed to mention earlier: four unions did accept the zero–three–three formula which was also put forward in seven of the Canadian provinces. I am referring to the civil service unions representing engineers, controllers, translators, physicists and merchant officers. All of them have accepted the policy. They submitted to it. How many of the strikers would rather be back at their desks, working and receiving their salary at the end of the week? There are thousands of them, but they are forced today to follow the lead.

That is why, Mr. Chairman, there is a degree of urgency. I hear that the legislation could be in effect by the end of the week but that is much too late. We should be sitting night and day to put an end once and for all to this strike that should not be going on in the present political circumstances.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Jim Hawkes (Calgary West): On a point of order, Mr. Chairman. There have been consultations and, in the best fashion of this House, we are trying to create a little better sense for members about the orders for the rest of the day.

I think you will find acceptance for the following motion.

I move:

> That, notwithstanding any Standing Order or usual practice of the House, during the proceedings in Committee of the Whole on Bill C–29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, whenever consideration of a clause, schedule or any amendment is completed, it shall forthwith be stood until later this day for further debate or amendment, or for the question to be put, and
>
> That any amendment tabled with the Chair prior to 9 p.m. this day be deemed proposed and be put without further debate at 10 p.m. this day.

If members were to adopt this motion, that would in effect put forward until ten o'clock this evening any amendments that any members want to make on the bill. Then, we would have any standing votes needed to take place to separate on any of those issues take place at ten o'clock, therefore leaving members free during the day to attend committee meetings, of one kind or another, that normally occur on a Monday.

That would not, by the way, disturb the votes that have been deferred until 6:15 this evening with the six o'clock bell. Those votes would take place at the scheduled time of 6.15 p.m. All votes on Bill C–29 would then take place at ten o'clock this evening.

Mr. Iain Angus (Thunder Bay—Atikokan) Mr. Chairman, I just want to confirm that we have had the discussions and to ensure that the people watching understand that this in no way reduces the amount of time available for debate on this very important issue. In

fact, it ensures maximum debate within the time that the House has allocated to us.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Chairman, just to clarify, I assume that this will not preclude members of Parliament from introducing their amendments, and thereafter, giving a short, succinct explanation of those amendments.

Mr. Hawkes: Mr. Speaker, as we move along with clauses, all of that is possible.

Under the normal rules for Committee of the Whole, if ten o'clock came because of the closure, then no further amendments could be put. What we are saying is that if that happens, we want any amendments which have been tabled prior to nine o'clock this evening to be at least considered by the House. They become votable, even though we never get to that particular clause where that amendment could then be put. We are making it a fairer system for all members because of the time constraints. There is more time for debate, and any amendment can be put. That is the thrust of what we are trying to do.

Mr. Dingwall: Mr. Speaker, I understand the intent of the hon. member is that there will be an adjudication on each of the amendments that are put forward. What I am suggesting is that members would be given a brief opportunity just to explain very succinctly as to what the substantive point in their amendment might be at any point in time.

Since the President of the Treasury Board has, I believe, circulated copies of his amendments to members of the House, and we will be doing the same with all parties with regard to our amendments, perhaps we could have just a brief moment or two to explain what that amendment would be.

Perhaps the hon. member might want to agree with our amendments. Then he would be in a better position to persuade his colleagues of the rationale and the good sense that we are putting forward.

Mr. Hawkes: In terms of the spirit of this motion and the House at this time, I think it would be wise for members, as early as possible this day, to indicate to the Canadian people and the House that they do have amendments, and what the thrust of them are, so that we can have time to consider them.

I am worried. At ten o'clock we do not want to start with explanations of amendments during the formal amending process.

I think there would be a tendency in the House to relax a little our usual fairly relaxed rules about relevance and let people speak, when they get the floor, to things that are on their minds that affect any part of this bill. This is my sense of what we are willing to do today.

[*Translation*]

Mr. Rocheleau: Mr. Speaker, you will understand my concern, since 26,000 federal public servants live on the Quebec side of the Ottawa River. If I understand correctly, we will be able to table amendments to the bill this afternoon. But to do so, we need authorization and the right to speak. Can the Speaker assure me that we will have the right to speak this afternoon?

• (1400)

The Acting Speaker (Mr. DeBlois): I may point out that members do not have to rise in the House to table amendments, according to the terms of the motion regulating today's debate.

As far as recognizing the hon. member is concerned, the Chair will be alert, but there are many members who wish to speak, and of course I will try to recognize as many members as possible.

The hon. member for Hull—Aylmer.

Mr. Rocheleau: Mr. Chairman, I think you will understand that some clarification is required when tabling an amendment. I would have liked to speak this afternoon or this evening, since there are considerable implications for constituents in the Outaouais region.

The Acting Speaker (Mr. DeBlois): The Chair will bear in mind what was said by the hon. member for Hull—Aylmer.

A motion has been moved by the Government Whip. Does the House give its consent?

Some hon. members: Agreed.

Motion agreed to.

S. O. 31

The Acting Speaker (Mr. DeBlois): It being two o'clock, when debate is resumed I will recognize the hon. member for Ottawa—Vanier.

[*English*]

It being 2 o'clock p.m., it is my duty to rise, report progress and request leave to consider the bill again later this day.

Progress reported.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

IRVING KURZ

Mr. Doug Fee (Red Deer): Mr. Speaker, Constable Irving Kurz of the Royal Canadian Mounted Police was honoured this weekend by the Red Deer Chamber of Commerce when it selected him as citizen of the year.

Constable Kurz has dedicated over 1,990 hours of volunteer time, setting up a program for victims of crime. He is recognized nationally for the instigation of this program.

In addition to this he works as a volunteer in a host of other organizations which include the Alberta Mental Health Association, the Red Deer Native Friendship Society, the Alberta Family and Community Support Service Review, Red Deer and the Intercity Suicide Prevention Council, the Central Alberta Women's Emergency Shelter, the Sexual Assault Centre, the Family Violence Committee and the Volunteer Week Steering Committee.

Red Deer is very proud of its volunteers and the numbers of hours those volunteers donate each year. Even by our standards, Irving's record is outstanding. Constable Irving Kurz is an asset to his community and exemplifies the very best qualities of those who serve Canada and the uniform of the Royal Canadian Mounted Police.

* * *

SOCIAL SERVICES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, did you know that this government is denying millions of dollars to Canadians who qualify for certain programs?

For example, I met a gentleman of 81 years of age who should have been getting the supplement, yet he had not been. It was made retroactive for three years but he lost 13 years of compensation he should have had.

In another case, I met a widow of a veteran who raised five children, the oldest being 12 years, by herself and did not get any of the assistance to which she was entitled. Through that process she lost her home. She is trying to get some of that money back to educate one of her children and she cannot even get that.

When will the government stop this practice? When will it start being fair to Canadians who deserve the money they should get?

* * *

REFORM PARTY OF CANADA

Mr. Garth Turner (Halton—Peel): Mr. Speaker, over the past weekend it was interesting to hear the leader of the Reform Party take some credit for the constitutional proposals introduced in this House by the government almost a week ago.

Included in this self-attributed victory was the issue of property rights which are now proposed to be entrenched in the Constitution. It would be very nice if Preston Manning stopped rewriting history. I wonder where the Reform Party leader was on July 1, 1960 when Prime Minister John Diefenbaker proclaimed the Canadian Bill of Rights by saying: "Every individual has the right to life, liberty, security of person and enjoyment of property, and the right not to be deprived thereof except by due process of law."

The right to own property was on the Conservative agenda 31 years ago, as it is today. Canadians, in particular western Canadians, will be very familiar with the work done by the Chief, and no doubt are surprised at what Mr. Manning said.

It makes one wonder what the Chief would say if he were in this House today, probably something about the south end of a horse, looking at it from the north.

* * *

PUBLIC SERVICE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the Canadian public does not support the federal government's autocratic and authoritative method of dealing with its public servants. The public knows that the civil

servants are dedicated, hard working and deserve respect and fair treatment.

The public wishes the government to return to the bargaining table and offer its employees a fair and equitable wage settlement. Thousands upon thousands of residents in my riding of Surrey North and British Columbia have signed petitions opposing the back to work legislation, urging the government to return to the negotiating table and enter into a fair contract.

It is time for this government to come to its senses, to show some leadership, and to settle this strike fairly and equitably.

* * *

CROSS-BORDER SHOPPING

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, no one can deny the strong correlation which has developed between the rise of cross-border shopping and the level of taxation on gasoline in Canada. This relationship is supported by a number of recent studies and surveys on cross-border shopping.

In Ontario, John Winter Associates developed a model for cross-border shopping based on consumption patterns. Close to the border there is a 15-minute convenient zone where consumers are willing to cross the border for every-day items, such as gasoline, on a weekly or biweekly basis.

A recent Ontario small business survey of seven border community regions found that one-third of those interviewed confirmed shopping in the United States in April 1991. Of this figure, 80 per cent purchased gasoline on a regular basis in the United States. Consistently gasoline was the most frequent cross-border purchase.

These results represent a very dangerous trend for Canadian consumers. It is now time for the federal government to act to rectify this situation. Retailers in our border communities look forward to such action.

* * *

GOODS AND SERVICES TAX

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, across Canada this fall, certainly across Prince Edward Island, minor hockey associations are gearing up for another season.

This year the GST will be a factor many of them would rather not have to face. Hockey associations must pay GST on expenses like ice time and hockey equipment. They are not eligible for a tax rebate.

These are non-profit organizations. An extra 7 per cent in expenses therefore must come either out of their budget, from the players or their parents. That is the bottom line.

This policy is unfair and stands in sharp contrast to the government's stated goal of recognizing the important role of non-profit organizations in Canadian society.

I call on the government to review the effects this new tax is having on non-profit organizations like minor hockey and figure skating associations and to establish a policy that treats these valuable organizations with the fairness they deserve.

* * *

HIGHWAYS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, one of the most pressing issues facing Nova Scotia today is the construction of a four lane highway from the border of Nova Scotia on to Truro. This highway has a high rate of accidents, all too often resulting in deaths and injuries.

Nova Scotia is unique in that it has only one main highway into the province and this highway also serves as the only road on to Newfoundland.

With the elimination of the railroad in Newfoundland and the reduction in rail service in Nova Scotia, the burden on the present system is no longer acceptable. The Hon. Kenneth Streatch, Minister of Transport for the province of Nova Scotia is in Ottawa today to negotiate with the federal government for funding to proceed with the highway.

As one who travels this over-burdened route regularly I can personally attest to the unacceptable situation first hand. I urge the federal ministers involved to come to agreement with the province so that this project can proceed quickly.

* * *

CANADA POST

Mr. Rod Murphy (Churchill): Mr. Speaker, I found it interesting that earlier we had indications from the mediator appointed in the postal dispute that he is

making some progress in his talks with the Canadian Union of Postal Workers and Canada Post.

I find it ironic that this government has refused the same request in connection with its own employees. It has refused to appoint a mediator in the dispute between the Public Service Alliance and Treasury Board.

• (1410)

I wonder how the Minister of Labour can ask, and order, Canada Post and the Canadian Union of Postal Workers to sit down with a mediator when the very same government refuses to use a mediator to try and resolve the Public Service dispute.

* * *

SEARCH AND RESCUE

Mr. Peter L. McCreath (South Shore): Mr. Speaker, much concern is being expressed in southern Nova Scotia that the search and rescue and fisheries patrol helicopter will be removed when the current contract with Cougar Helicopters expires next year. I understand that while DFO has not withdrawn its support and funding for the service, Transport Canada has decided to withdraw its support. The result is that the contract will not be renewed.

The presence of the helicopter based in Yarmouth has directly resulted in the saving of several lives, including a group of 10 persons recently. Similarly, the presence of the helicopter has had a very positive impact on reducing illegal fishing activities throughout the western Scotia–Fundy region. The helicopter has effectively done what it is supposed to do. The need continues to exist. I urge DFO and DOT to get together to work something out to ensure that this essential service continues.

* * *

FUEL ECONOMY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the concern of most car drivers is to get the most out of the amount of gasoline purchased. The more efficient the car, the greater the savings to the driver. In addition, less gasoline burned means less pollution.

Some car companies, not the big three, continue to prove that the car industry can produce more fuel efficient cars, however, the 1992 car models show an over-all decline in fuel efficiency. Clearly we need fuel economy standards set and enforced by the federal government.

The environment committee urged the government to do just that, but the government's reply last week was disappointing. We have to wait until the end of 1992 when legislation may be submitted to Parliament, with no certainty that it will become law or to what model year it will apply. Years and years could go by before the consumer will benefit from improvements in fuel economy.

Why this lack of political will on the government's part?

* * *

[*Translation*]

PUBLIC SERVICE ALLIANCE

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, the Public Service Alliance of Canada decided without further consultation to have its members go on a general strike for a third week. Admittedly, the government is imposing a wage freeze for the first year of the contract, but the union's logic denouncing this famous 0 per cent is costing its members nearly 6 per cent of their annual salary. Each week on strike means a loss of 2 per cent of their annual salary.

Yes, Mr. Speaker, the government is offering 0 per cent, but the Alliance is imposing a 6 per cent loss on its members. This strike is going nowhere. Even schoolchildren realize that the union leaders Daryl Bean and Johane Hurens are using their members as hostages, not to improve their working conditions but for political reasons, to shake the government and support their accomplices in Parliament, the NDP members.

It is time to assume our responsibilities and to end this masquerade, which is in bad taste.

* * *

[*English*]

HEALTH CARE

Mr. Réginald Bélair (Cochrane—Superior): Extendicare Hearst, a nursing home in my riding of Cochrane—Superior, will face a crisis situation in mid-October if funding is not increased. The funding for all nursing homes in Ontario is $34 per day per patient less than funding for municipal homes for the aged. This is unfair

and will undoubtedly result in a reduction of staff at Extendicare Hearst or possible closure of the facility.

[*Translation*]

The rising cost of living, of supplies and of salaries for the medical staff, as well as the extra burden imposed by the GST, weigh very heavily on the finances of this centre. In short, if this establishment does not receive additional help, it will not be able to give its 61 residents the level of care they need. This situation is likely to worsen their health and seriously affect our seniors' quality of life. I therefore urge the provincial government to rectify this situation immediately.

* * *

[*English*]

GUN CONTROL

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, Canadians want to know where the Reform Party stands on gun control. Does Preston Manning want to strengthen Bill C-17 or does he want to weaken it? Does he want to abolish it? His supporters think so.

Would the Reform Party put this issue to a national referendum? This is the usual Reform Party position: put a difficult issue to a referendum; until then be all things to all people. What kind of leadership is this? It is not leadership. It is abdication of leadership.

I challenge Preston Manning and the member for Beaver River to come out from behind the bushes. Tell Canadians in detail where they stand on Bill C-17. Come clean with Canadians on gun control.

* * *

[*Translation*]

WELFARE

Mr. Steven W. Langdon (Essex—Winsor): Mr. Speaker, today we read that more than 600,000 people in Quebec are on welfare. At least one quarter of that number are children. We are seeing a dramatic drop in the standard of living of all Quebecers. Six years ago, *Moisson Montréal* supplied food banks with $1 million worth of food. This year it will be $6 million.

This increase was caused by nothing else except the federal government's bad management. Plants are closing everywhere, as a result of the high interest rates maintained by John Crow, the Bank of Canada's resident miser. Pretty soon 200 workers in Port Cartier will be out of a job.

It is time the Tory government admitted its mistakes. Emergency economic assistance should be given to regions it has wrecked.

* * *

[*English*]

WORLD SUMMIT FOR CHILDREN

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, this is the first anniversary of the World Summit for Children. The summit, chaired by our own Prime Minister, promised the children of the world that 50 million of their number would be saved from death within the next decade.

Tragically 14 million children did not live to see this anniversary. They led lives bankrupt of the care and comfort necessary for survival. They died from starvation or preventable diseases. Many were the victims of war.

Everyone, especially children, want to believe the 71 world leaders including our Prime Minister honoured their promises. Honouring promises begins at home.

I ask the government to table in this House the agenda for bettering children's lives. How will cuts to social programs help our children? Will cuts in Third World aid help world children?

We have the means to help them. I urge this government to now show the will to keep its promises.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister.

The government's handling of the Public Service strike is taking a terrible toll on the Canadian economy. The prairie pools estimate that the strike by grain inspectors and weighers is costing western farmers $36 million in

lost sales a week, every week. There is great danger that the farmers might lose their markets abroad.

I would like to know from the minister: Why did not the government at least designate grain inspectors and weighers as essential workers as they have done with at least one-third of the Public Service?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, as the hon. Leader of the Opposition knows, these designated employees are agreed upon by both parties and so far in this particular case indeed it has not occurred. This is something we will have to look at because I would not disagree with him that the impact is very traumatic for farmers, some of whom have been trying to get the message to us that they are in a very difficult position.

That is why I was hoping that through going back to the negotiating table with PSAC, putting new offers on the table, we would get somewhere. I think everybody agreed to that. That is why we agreed to a suspension of the legislation. Unfortunately we got our answers on the television cameras by people reneging on a very solemn agreement and going back on strike.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, at this very moment, 26 cargo vessels are anchored in Vancouver, and Canadian farmers are desperate. The minister said they were unwilling to reach an agreement with these essential employees—the weighers and inspectors. I want to ask the minister how many times they tried to get this agreement? According to our information, the government didn't try very hard, and one strongly suspects the government wanted to pit the farmers against the unions, to satisfy their right-wing agenda.

• (1420)

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I don't think the present situation is helped any by statements that may be clever politically but do nothing to solve the problem.

I may remind the Leader of the Official Opposition of a statement made by Mr. Daryl Bean even before we brought down our Budget, which means before the then Minister of Finance announced the government's position on wages. He said they would start getting ready for a strike the day after the Budget speech, if the federal government dared to cap public service wages. The next day, he added that he didn't care whether the government brought in legislation or not. It didn't make the slightest difference because he had no intention of obeying the legislation.

If you think this creates a climate that is favourable to negotiations, I can't say I agree. We tried to resume negotiations in a spirit of calm, within a restricted mandate, because raising taxes or increasing the deficit was out of the question. We are trying to reduce spending, and we have done so in all areas, as many other governments have done, including liberal governments in similar circumstances. However, instead of negotiating as we did, they brought in legislation immediately. We tried to reach a settlement through the bargaining process.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to tell the minister that in no case did the provincial government give bonuses up to $60,000 and $80,000 a few weeks before they made that decision.

If the minister were serious—he was just telling us that he knew since before the budget that the union was in a mood to have a confrontation—why was he negligent in not making sure that in between there was a mediator who would have been able to make some suggestions to the government and the union to resolve the difficulties? Why did he sought confrontation rather than mediation?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, the only thing we sought to confront was the deficit and the debt of this country.

The Leader of the Opposition, and I am surprised at his position, tried to make cheap political gains by talking about the bonus. It is not true. He knows it very well. I can reaffirm here in this House very solemnly that none will get an increase in salary and nobody will get any dollar in bonus. That should be put to rest.

As for taking these difficult decisions, our choice at budget time because of the recession with less money coming in and more going out was not to say: "Well, let us carry this over, borrow the money the Liberal way". We decided to tighten the belt. We did not tackle the union. We took 10 per cent of manager jobs away. We capped the transfers to the provinces. We took many, many difficult decisions including the zero, three. We wanted to show leadership. Provinces have followed and it is working.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, what this country needs right now is a spirit of tolerance and understanding. Yet the government is pursuing an agenda of confrontation and dissension among Canadians and with its own employees, bent on increasing what little sagging popularity it has left now.

I ask the minister: When will the government start managing responsibly and stop disrupting the lives of Canadians? I appeal to him, even now at the eleventh hour: Will he appoint a mediator? Will he try to settle this fairly and justly?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I think of the two, the employer and the employees, particularly PSAC. It is PSAC which is not being responsible. When you see things as we saw Saturday and again this morning in a veterans' hospital where people are prevented from providing services to people badly in need, this is not being reasonable.

As for the mediator, this is a process which can be useful—of course, I would not deny that—providing there is a chance we can get some agreement.

We sat with PSAC for 60 days of negotiations and 30 days of conciliation. They went on strike. We said: "Well, let's go back and have a last try at it". We were at it for 35 different meetings. We put offers on the table, very important offers given the restraint we have to live under, on Thursday evening. We got the answer the next day: they were on strike. What had they agreed to? They agreed not to go back on strike until negotiations were terminated, and they were not.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the minister knows very well that the Public Service Staff Relations Board ruled that the government wasted months not bargaining well. I urge him, now that he has mentioned the chance of negotiations, if there is even a chance, surely we can spare Canadians the agony that they are going through and the agony that his employees are going through and appoint that mediator and take that small chance, however little it may be, instead of publishing advertisements all across the country, at great cost to the taxpayers. They are only bound and determined to tell Canadians what to believe at their own expense.

I ask the minister: Will he immediately withdraw these ads, concede that there is a chance, appoint a mediator and use this money to reach a reasonable settlement?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Surely, Mr. Speaker, the hon. member will agree that the citizens of Canada who have been considerably disturbed by these strikes have a right to know what we have offered. Let them decided about that.

As far as, again as the hon. member said, going back to the negotiating table, I will read a joint agreement from Treasury Board and PSAC which said: "It will remove its picket lines and direct its members to return to work at that time and for as long as the negotiations continue". We did not leave the negotiating table; they did.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the President of the Treasury Board said today that the government's only option was to go ahead with back-to-work legislation. I believe that it is this government's last resort. It is a failure for this government. The strikers have said that they would return to work if the government named a mediator. Will the government appoint a mediator immediately and sit down at the table?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I already explained that the government would not accept a mediator because PSAC had already shown its bad will by refusing to follow a very clear negotiating process. They left the table. During months of negotiations, in the 90 days leading up to the strike and at 35 intense meetings, they never put a single proposal on the table. All of a sudden, faced with this legislation, they show that they have a particularly fertile imagination. Personally, I have lost confidence in the leaders of this union. I deeply regret it, and we will be prepared to negotiate, if you want. But when the conditions of the agreement we have are respected, the public servants will be at work.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the government's continuous refusal to reach beyond and sit down at the table ensures that Canadians are going to lose confidence in this government. In fact, they already have lost confidence in this government.

I would ask the President of the Treasury Board again, if the minister truly wants to see a resolution in the interest of those farmers for whom he has expressed concern and for whom we all have concern, if he wants to see a resolution to this for small business and those who may be hurt: Is the government's position so weak that he refuses to go in front of a mediator? Why will he not appoint a mediator now and sit down with one?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, if our intention had been to deal with the unions without negotiation it would have been very simple. We could have legislated. Many other provinces have done the same. We chose to negotiate. We have done it in an open way. We thought there was a fair chance of explaining our position.

Canadians across this country have been going through a very difficult recession. Hundreds of thousands of them have lost their jobs. We wanted our public servants to make an additional effort. I know they deserve better conditions, but paid how; by increasing taxes or increasing the deficit? This is the greatest threat to our Public Service, a mismanagement of the fiscal situation.

• (1430)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, all we are asking on this side of the House is that this government make an extra effort.

We know that the legislation can be passed within 48 hours, yet there is nothing preventing this government now from continuing to negotiate. Tougher agreements than this have been negotiated in 48 hours.

Will the minister use the remaining time to negotiate an agreement with the Public Service Alliance, rather than settle for the failure of back-to-work legislation?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, we are certainly committed—I made it very clear this morning—to proceed with the legislation. We will see how events unfold until then, but the legislation is going to go through.

Now that it is inevitable, I hope for the good of our own employees who are losing pay—and this is again a sad result of these strikes—we will deal with it expeditiously.

As I have said, if we go back to our original agreement which was applauded by everyone in this House, we will then consider what to do.

* * *

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture.

This afternoon in Rosetown, Saskatchewan, over 1,500 farmers are gathering to protest the lack of action by the government because they face the worst financial crisis in a generation for Canadian farmers.

Last winter, the government committed itself to providing a third line of defence financial assistance to these producers. When is the government going to provide this assistance?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, indeed the hon. Minister of Agriculture will be attending this meeting in Rosetown. He will be putting forth very clearly the litany of programs and support that this government has provided to the agricultural industry.

The hon. member knows that a third line of defence program was announced this spring that has exceeded $500 million. He also knows that moneys will be flowing very soon under the Net Income Stabilization Account program and under GRIP. Something in the order of $1.5 billion plus will be flowing into the hands of the farmers before Christmas.

The moneys that are flowing under the programs that have been established under the safety net program, the special program designed with the farmers in the spring, will provide in excess of $2 billion over the next 12 months.

That is not chicken feed, as we say out in western Canada. Those are real, hard, cold dollars. I think it clearly demonstrates that we are in fact dealing very co-operatively with the producers of Canada, recognizing the very serious difficulties they face primarily due to the trade war.

Mr. Maurice Foster (Algoma): Mr. Speaker, last year the Farm Credit Corporation seized over 600 farms in Saskatchewan worth over $160 million.

The Deputy Prime Minister knows that most of the programs he has been talking about now do not provide the support for the losses that farmers suffered in the 1990–91 crop year. They are asking for special assistance, a third line of defence. The government has not met that commitment.

When is the Deputy Prime Minister going to stop stonewalling? When is he going to stop taking up more and more time? When he is going to stop the smoke and mirrors show that he has been putting on and provide the cash that the farmers are asking for?

These farmers are not rallying 2,000 or 3,000 at a time for the fun of it. They are rallying because they are in a desperate financial situation, and they are asking the government for help.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not sure whether the hon. member understands the significance of $2.5 billion, because it is $2.5 billion that will flow into the hands of the agricultural industry over the next 12 months.

Some $550 million to $600 million has indeed been provided under a special third line of defence program that was announced in the spring. There is money that is now flowing under the Net Income Stabilization Account. There is money that will be flowing under the Gross Revenue Insurance Program, GRIP, the interim payment of which will be in the hands of the producers sometimes between the middle of October and the end of October.

That is cash.

Mr. Foster: Those farmers haven't received one red cent, and you know it.

Mr. Mazankowski: They may not have received the cash, but that is cash that is flowing to the farmers right now. Why would the hon. member try to discard that? $2.5 million is not chicken feed. That is hard, cold cash and the farmers will appreciate it very much, I am sure.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question is for the Minister of Agriculture, but in his absence I will direct it to the Deputy Prime Minister.

The drought committees in Essex and Kent counties, comprised of the Federation of Agriculture, the National Farmers Union, commodity groups and agricultural sales groups, have all worked very hard for two months to put together reports of the impact of the drought in Kent and Essex counties.

When the Essex County committee requested to meet with the minister to present this very comprehensive report, it was asked to meet with the minister's policy advisor.

Will he today make the proper commitment and make certain that the federal Minister of Agriculture takes the time to meet with the farm community and the individuals who are showing tens of millions of dollars lost this year?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as the hon. member knows, there is a process in place which evaluates these situations. It is a third line of defence committee that is composed of farmers, representatives of the provincial government and the federal government. The work of that committee is ongoing.

As a matter of fact, my understanding is that it will be meeting in Winnipeg, I believe, later this week. It is my understanding that there will be—

An hon. member: The wrong province.

Mr. Mazankowski: We are dealing with this on the basis of a national program, and the third line of defence committee does not deal only with the province of Ontario, Manitoba, Saskatchewan or Alberta. It deals with the national situation.

It is under that auspices that we will attempt to ascertain the losses and to determine what sort of cash flow will be necessary, what kind of cash flow will be in the hands of the producers, and evaluate it on that basis. That is the established process to avoid the business of *ad hoc* programs which that member and other members have sought to discontinue. We agree with that. We have a process in place. Let us follow it.

* * *

PLYWOOD INDUSTRY

Mr. Bob Wood (Nipissing): Mr. Speaker, my question is also for the Deputy Prime Minister.

In recent newspaper accounts, the U.S. trade representative implicitly threatened to levy a retaliatory tariff on Canadian plywood entering the U.S. Her remarks were, and I quote:

> Unfortunately, history proves that in our dealings with the Canadians in timber issues, nothing less than a hard headed approach by our government appears to ensure fair resolution of disagreements.

Has the minister investigated this issue? Will he ensure that Canada will not be bullied by the Americans when it comes to plywood like we were with the softwood surtax?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I do not think it is helpful for the hon. member to tremble every time an American speaks about trade with Canada. I want to give him some facts to help him relax and he will not be so concerned.

We have removed the surtax. This has had a very strong positive effect already on the Canadian economy. We have marshalled our arguments very well. We do not think the Americans have any possible reply which will stand up. Thank heavens we have the bi-national panel to enforce it.

* * *

HEALTH

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is for the Minister of National Health and Welfare.

At the meeting of the provincial, federal and territorial ministers of health held in Winnipeg, the standards of the Canada Health Act were upheld, including the prohibition of user fees.

The province of British Columbia did not send its minister of health to this important meeting and the premier of B.C. continues to advocate user fees.

My question is: Has the federal minister of health informed the premier of the province of British Columbia that user fees in that province will not be tolerated?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I do not want to comment on any declaration coming particularly from a premier in a province where there is an election.

I want to repeat what I said in Winnipeg. I said that of course we are opposed basically to any user fee. As long as there is none applied—and there is none to my knowledge, no user fee in the country that is being applied now—there is no reason to to do or say that we will do something. But if anything occurs, I will take my responsibility.

• (1440)

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my supplementary question is for the same minister. The reduction of Established Programs Financing to the provinces and territories continues to cripple their ability to uphold the standards of the Canada Health Act.

What assurances were given to the ministers of health at their recent meeting that the federal government will restore and maintain the federal funding for health care?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I am delighted that the member quoted what has been said in Winnipeg. However, he missed a part of the declaration which said that we should take into account the fiscal reality of the country. It was also in the declaration by the ministers of health.

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AIRLINE INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Transport. It has become painfully obvious that the Canadian airline industry is in a serious nosedive, thanks to the government's combined policies of deregulation, open skies, and its high interest, high dollar monetary regime.

Given that our two remaining national air carriers, Air Canada and Canadian, will continue to struggle to survive unless there are some major concessions from the federal government, what immediate plans does the government have to assist our airline industry and to protect the tens of thousands of Canadian jobs that are dependent on it?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I presume that the hon. member knows that Air France is not a Canadian airline and that it had to lay off a large number of employees last week. I presume he also knows that the four or five American airlines that have had to do the same thing are not of Canadian origin. Therefore the aviation industry throughout the world at the present time is in great difficulty because of the gulf war last year, the tremendous increase in gas prices and the number of people who are not travelling at the present time.

Mr. Sergio Marchi (York West): Mr. Speaker, the minister ought not to be concerned about Air France, he should be concerned about Air Canada and Canadian and start at home.

Given that the government continues to maintain that an open skies agreement is part of the answer, can the minister explain to Canadians how Air Canada and Canadian will be assisted by allowing the large American carriers which he just quoted to come into Canada, fly across our country freely without any restrictions? Why not say no to cabotage and yes to a healthy Canadian controlled airline industry?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I presume that the hon. member is aware that at the present time American carriers handle over 60 per cent of transborder traffic and earn $500 million more annually from this market than do Canadian carriers. About 13 million passengers move annually between the two countries, generating $2.3 billion in revenue. Scheduled air services between Canada and the U.S., including local and regional services, are provided to 84 cities.

The present open skies agreement is flawed. We have entered into open skies discussions with the Americans because we want to improve the level playing field for Canadian airlines and give them a better lease on life.

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RAILWAYS

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is also for the Minister of Transport. Canadian National is scheduled to sell its rail line from Truro to Sydney, Nova Scotia by the fall of 1992.

Will the Minister of Transport explain to the House why the Government of Canada is allowing Canadian National to privatize this essential transportation link in Atlantic Canada?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, CN has been given a mandate by this government to be as commercially profitable as possible. Therefore, CN is properly trying to find all the means of making sure that it will be competitive and will be able to stay in business. They are examining at the present time the possibility of making the line more profitable and therefore they are examining the possibility of privatizing that line if they can get a good deal that would provide improved service for the area. No decision has been made.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary is for the same minister.

The minister knows that this railway line is the lifeline for many of our industries; coal, steel, lumber and fish, in order that they can move their products to essential Canadian markets.

I ask the minister why the sale, why the cause of uncertainty? Will he not now do the right thing and order CN to rescind this privatization order and keep this railway line intact? Will he tell them to do that?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, again I repeat that the intention of CN is to improve the performance of that line to give better service to the clientele at a better rate, making themselves more competitive and making the industry they serve more profitable and therefore be able to maintain better commercialization.

There is no cause for alarm. CN is examining the situation and the possibility of improving the service at a better price and I think they should be commended for doing that.

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CHILD CARE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the minister of health.

The UN Convention on the Rights of the Child requires the government to ensure the development of institutions, services and facilities for the care of children.

In recent weeks the government House leader and the minister of health have made contradictory statements on the government's willingness to fulfil its many promises to Canadians on a national child care program.

Since the Prime Minister has committed Canada to ratifying the UN convention and it is now the first anniversary of the UN summit on children, which our own Prime Minister co-chaired, will the minister tell Canadian parents and their children who have been waiting for so long when will you implement their national child care program? When, Mr. Minister?

Mr. Speaker: I know it was probably a momentary indiscretion but I would ask hon. members when they put their questions to address the ministers through the Chair.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I believe we are particularly sensitive to the problems of children, who are the most vulnerable part of Canadian society. I think we have done a lot but we we want to do still more, particularly at different levels.

With regard to the question on child care, I want to remind my colleague that we did in 1988 present something that was turned down particularly by the Liberals in the Senate. So far, we have presented the exemption of tax for Canadians.

We are looking now at new strategies, bearing in mind that since 1988 many problems have arisen on the issue of children, particularly in terms of child poverty and violence. Last year we put $136 million in these areas. We want to do more.

At the same time we have to take into account and put in perspective the previous comments of the President of Treasury Board. We can only do what the fiscal reality of the country allows us to do.

I hope that she will not ask me to raise taxes, Mr. Speaker.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, Article 24 of the UN charter guarantees a child's right to health care services. Article 27 guarantees a child's right to an adequate standard of living. Article 28 guarantees the child a right to an education.

How can this government comply with those articles since it has deindexed the family allowance, capped the Canada Assistance Plan which funds child care services, cut back on funds for medicare and cut back on funds for post-secondary education? How can this government comply with those articles of that UN convention?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I repeat what I said before. We all agree in this House that all that can be done for children should be done. But I think a lot of members of Parliament agree that it has to be done in light of the country's capacity to pay. We have to provide the resources.

• (1450)

I am surprised that my colleague and her party does not understand that we can spend money forever, as did the former government, but there is a time when we have to pay for the services we give. We need the resources. We still believe, as do a lot of Canadians, that the better we manage the fiscal reality and the resources, the better service we will give to Canadians. It cannot be sorted out in the way that will not consider both, Mr. Speaker.

* * *

RAIL SAFETY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Transport and it concerns railway safety.

The CN rail crossing at Stewiacke, Nova Scotia is a complex intersection of five roads intersected by a rail line. Over many years there have been a total of 11 accidents resulting in deaths and injuries. The residents of the area have been demanding barrier gates for years and even decades.

I wonder if the minister could give us an update. Is there any progress towards eliminating this dangerous situation?

Hon. Jean Corbeil (Minister of Transport): I am glad the hon. member has raised this point. Like the hon. member, I am also very concerned about railway safety. This particular item has been raised with my department and a decision is being made. I think the hon. member will receive a very favourable answer very shortly.

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RESEARCH AND DEVELOPMENT

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Deputy Prime Minister in the absence of his colleague, the Minister of Industry, Science and Technology.

I am sure the minister is aware that the National Research Council has been looking at a proposal to establish the Institute for Instrumental Diagnostics in the city of Winnipeg, a very important research development for the entire country.

The governing council of NRC met last week to make a decision which was contingent upon the federal government providing $7 million of special financing to take care of the capital cost.

I would like to ask the Deputy Prime Minister in that capacity or as Minister of Finance if the federal government has now committed its support to that new research centre, and can he tell us if the decision has been a favourable one so we can go ahead and start this important work in the city of Winnipeg?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, allow me to answer on behalf of the Minister for Science.

In no way are we pulling back from Winnipeg. I am happy to tell the hon. member that NRC's presence will remain very strong there. It is a question though of whether we will have a new institute or not. The whole question of expanding NRC programs and putting them into a new institute is what they are currently reviewing. What they are reviewing is an expansion and not a withdrawal. Their commitment to stay in Winnipeg for its present services is, of course, very firm.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I never thought the question of withdrawal of services was the issue. What I was asking about was this: Is this federal government prepared to match the offer of the National Research Council to establish a special Institute for Instrumental Diagnostics, which is a field of substantial growth around the world, which Canada can take a world-class leadership role in, for the sum of $7 million contribution? Compared to other contributions that have been made, I would say that is a good bargain.

I want to know this, perhaps from the Minister of Finance: Has he committed through his own department to make that commitment so that the NRC can go ahead and expand and develop that new research centre in the city of Winnipeg?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, my hon. friend knows that the NRC is resolved to continue the strength of its program in Winnipeg. There is no doubt about that. However, in terms of creating a new institute, it has not made a decision to do so.

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[*Translation*]

GREAT WHALE PROJECT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of the Environment. Three weeks ago, on the Great Whale issue, the court ordered the government to meet its responsibilities arising from the James Bay Agreement. My question is, Will the Minister finally get with it? Will he comply with the federal court's judgement?

Hon. Jean J. Charest (Minister of the Environment): It is done, Mr. Speaker.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my supplementary question is for the Minister of the Environment. When? You have had three weeks to make this announcement and you have been forced into it. The reason that this—

Mr. Speaker: The hon. member must address the question to the Chair. The hon. minister may want to answer it.

Mr. Martin: Mr. Speaker, Great Whale is only one project. There are two others, one in Manitoba and one in Ontario. It was a year ago that we asked this government to appoint a panel to study the cumulative effects of the three projects.

It has been a year and the government has not acted. It is still sitting on its duff. When is it going to act?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, first, in the case of Great Whale, the Federal Court ruling was quite clear in ordering the federal administrator to act immediately in enforcing the ruling. As I previously answered, that has been done.

The decision on whether to appeal or not has not yet been made. We are examining the ruling. The Department of Justice is examining the ruling and we will be informing the member accordingly.

Now on the issue of doing an assessment on the cumulative impact of different projects on James Bay and on Hudson Bay, we have had discussions with the provinces and we will continue to have discussions. I am happy to inform the member that we have not abandoned the idea of undertaking such a project. Quite the contrary, we expect to be able to make an announcement as soon as we have completed our discussions.

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THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Finance.

The government has claimed that the recession is finished, but the growth of output figures which were released today show that recovery in fact is very slow; only .2 per cent in July, the same slow rate which existed in June.

Will the government not try to speed this recovery up to help people across this country, to get people back to work, to reduce interest rates significantly and to see to it that the value of the Canadian dollar is brought down to help our exports so that people are helped across this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, what is encouraging is that this is the fourth consecutive month in which there has been an increase in the Gross Domestic Product and I think that is a clear indication that we are on the road to recovery.

What is also very encouraging is that the output of the goods producing industries expanded by .6 per cent, led by a strong growth in the manufacturing sector. The manufacturing sector is showing strength, expanding in July for the fourth consecutive month. Since its trough in March, we have experienced an increase in the manufacturing sector of 5.1 per cent.

We have never said that this was going to be a robust turn around. We said that we would have a recession that would be much less severe than the one in 1981–82 and that has been the case. The peak to trough decline in 1981–82 was over 5.5 percentage points. In this particular case, it is about 2.5 per cent to 2.8 per cent. So the decline was not as severe and it was not as long. We have had a good second quarter and we anticipate, for the third and fourth quarters, we will have moderate recovery and that is what the statistics are proving. We should be very satisfied with that.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, if this government is satisfied with the rate of growth, which will not decrease unemployment in this country, then this government should quit today.

Is the minister prepared to accept a .2 per cent rate of growth per month, which is not one month now but two months in a row of slow growth? Is he prepared to accept that when it means that unemployment in this country will stay over 10 per cent until well into next year?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, of course I am not prepared to accept that and I certainly have not.

• (1500)

What I am saying is that we are on the road to sustainable recovery and durable recovery which will produce growth at a rate of about 3.5 per cent. Incidentally this seems to be one of the best anticipated growth rates of all industrialized countries in the world, certainly of the OECD. That I think is good news.

He asks about interest rates. Interest rates have come down by more than 5.5 percentage points. We saw a 9 basis point decrease last week. We expect, with the inflationary pressures receding, that interest rates can come down further still. If that is the case then we will be on the road to sustainable recovery with price stability, and that is the goal and the objective of this government. It will provide jobs. It will provide sustainable growth and will preserve the integrity—

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SEARCH AND RESCUE

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

I have received a number of calls from people in southern Nova Scotia who are concerned about the speculation that the search and rescue helicopter and fisheries patrol helicopter contract will not be renewed when it runs out.

I wonder if the minister could assure fishermen and others in southern Nova Scotia that this very important service will continue to be there and operating out of southern Nova Scotia.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the helicopter contract in question was entered into several years ago. The period of the contract does not expire until March 1992.

There was certainly no decision made that once the contract expires there will be no further helicopter service there. The contract and the experience are now being evaluated by the department, and a decision will be made before next March as to whether this service will continue. It is a $2.35 million annual contract providing about 700 hours of fishery surveillance and it is available for search and rescue work.

I understand the feelings of the hon. member with respect to this matter. Certainly his views will be given every consideration when the time comes for a decision to be made with respect to this matter.

MARKETING BOARDS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Finance.

Last week the minister tabled his economic union document in the House in which he says about marketing boards, and I quote: "The balance of risk is now clearly shifting against the desirability of many of our internal barriers and our ability to sustain them". He refers to marketing boards as being some of these so-called barriers.

I want to know from the Minister of Finance and former Minister of Agriculture: Is he still in favour of marketing boards or has he now changed his mind?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not sure what that has to do with it.

The hon. member raises the point in the document. I might draw to his attention at page 55 that any modifications to the common market clause would also take into consideration the fact that equalization or regional development programs would not be affected, or any programs that were declared by Parliament to be in the national interest. If it is so deemed to be declared in the national interest that marketing boards should be categorized as such then it will certainly be exempt.

Mr. Chrétien: Are you in favour or not? Yes or no?

Mr. Mazankowski: If the hon. the Leader of the Opposition would wait and be patient for my answer, these are proposals that are advanced for the purposes of debate and discussion. The hon. Leader of the Opposition said with respect to the internal market that the programs did not go far enough.

It would be interesting to hear what he has to say about it.

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PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of a delegation from the Bundesrat led by Mrs. Eva Ruehmkorf, Minister for Federal Affairs in the Land of Schleswig-Holstein.

Some hon. members: Hear, hear.

Tributes

Mr. Speaker: I also draw the attention of hon. members to the presence in the gallery of the hon. Ken Streatch, Minister of Transportation and Communications for the Province of Nova Scotia.

Some hon. members: Hear, hear.

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[*Translation*]

TRIBUTES TO THE LATE JEAN-THOMAS RICHARD

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, with respect and affection, I wish to point out today the death of an outstanding fellow citizen, Jean-Thomas Richard, my predecessor in this House for 27 years. Born in Sandy Hill, where he always lived, Jean-Thomas Richard married Margaret Maloney and was the father of John, Michael, Maria, Suzanne, Pierre, Tom and Adèle.

A lawyer by profession, he was a member of this House from 1945 to 1972. The riding was called Ottawa East and in 1972, Mr. Speaker, I had the honour to succeed him.

A hard-working man of the people, always available to his constituents—it would be hard not to admire and respect him. I know that he had many friends in this House. Those who had the privilege to really know him as more than the energetic, ever-present member of Parliament that he was, will attest to his kindness, friendliness, honesty and generosity of mind and spirit. He was present. He was also at the service of his fellow citizens.

Few challenges would have deterred Jean-Thomas Richard in his 84 years. One might even have thought that he would have defied death itself. His name Thomas suited him. He questioned a lot. He doubted everything.

I join all citizens of Ottawa—Vanier, Mr. Speaker, in extending to the Richard family our sincerest condolences.

[*English*]

Twenty-seven years in the service of his constituents in this House stands by itself as an achievement of note. J.T., as we called him and as he was called affectionately by his friends, sat in your chair, Mr. Speaker, on many occasions on Friday afternoons. He always ended his Friday duties by bidding his fellow parliamentarians "a

good safe trip home and a pleasant weekend with your families and your constituents".

Speaking for all those who loved him, speaking for all citizens of my riding of Ottawa—Vanier, we say to his family, his numerous friends, Jean-Thomas Richard will be sadly missed. He was a great Canadian.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, Mr. Richard had left this House by the time I was elected, but I had the privilege to know him while he was a member of Parliament and understood and respected the very long and dedicated service that he gave to this country.

On behalf of the government and my party, and personally, I want to associate ourselves with the words of regret just expressed by my colleague for Ottawa—Vanier.

The Richard family has maintained a very active interest in public affairs and public life in the country. Even after his departure from this House of Commons, Jean Richard maintained a very lively interest in the affairs of Parliament and the affairs of the economy and most particularly in the integrity of this country.

My wife's family lived at the time in parts of what was then his constituency. They did not at that time agree on political questions, but Jean Richard was very much admired and respected by all of the people he served for so long in this House of Commons.

[*Translation*]

On behalf of the government, myself and the Progressive Conservative Party, I wish to lend our support to what the hon. member for Ottawa—Vanier said and offer the family of Jean-Thomas Richard our sincerest condolences.

[*English*]

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, on behalf of my colleagues in the New Democratic Party caucus, I would like to associate us and my colleagues with the remarks made by the hon. member for Ottawa—Vanier about a former member of Parliament from his constituency, Mr. Richard, and say that we join with all members of the House in expressing to his family our sympathies and condolences and join with those members of Parliament here who remember this particular member of Parliament. I am not one of them.

It is unfortunate that it is only on occasions like this of sadness and bereavement when we get to reflect and sometimes even come to know about those who have served before us in this place.

I hope that the long and distinguished record the hon. member had will be a comfort to his family as it was a service to Canada.

• (1510)

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, it is with very serious and sincere intent that I rise today to say a few words about the late Jean T. Richard. He had been in this House for several years before I arrived here as a new member. I must say that having come here as a new member, Jean T. Richard was a great adviser and he had put in many years as a very successful practising politician.

He was one of those members who is what we consider today a good old time politician who had lots of time for his constituents. He would take the odd day and would take a travelling tour of eastern Ontario and visit several other ridings.

Those of us in this House know how important it is that MPs from whatever party go out and visit some of the ridings that have not seen a member for some time and to visit other members in the region. It creates a great rapport. I think we would be well served today if some of us took on some of those practices of these excellent old time practising politicians. They certainly knew their work and they did their homework.

He was very proud to be a member of Parliament in this House. He served Ottawa—Vanier well, as has the present member, who has spoken so well about Jean Richard this afternoon.

I valued Jean Richard as a great friend and a great adviser. He was a hard worker in this House. It is rather ironic today that we should be paying this tribute to him today when we have this Public Service legislation before the House. Jean T. Richard was always up on his feet when a Public Service bill of any type was before this House of Commons. He represented his constituents extremely well.

I want to say that it is very, very important that we recognize long time serving members such as Jean T. Richard at this time. It brings home to all of us the

realistic feeling that he is one who has put a great deal into this House. He served eastern Ontario well. He served the Public Service community well and he had a great feeling for Canada. He was a bilingual person who spoke anywhere he was asked to go in the country.

I want to extend my personal feelings to the members of his family today. He was a husband, father and grandfather for whom we can all have a great deal of respect and admiration.

* * *

PRIVILEGE

PUBLIC SERVICE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I rise on a point of privilege and I ask your guidance in terms of how we can best deal with this issue respecting an ad that appeared in *The Ottawa Citizen* today, September 30, 1991, concerning the government's dispute with the Public Service Alliance of Canada.

I understand from the minister's comments earlier this morning that this ad also appeared in other papers across the country.

I have provided you with a copy of this advertisement. The section of it that causes me concern is this. The advertisement begins with a description of the offer made by the Government of Canada to the Public Service Alliance of Canada and it refers to:

> A wage offer consistent with the Government's budgetary guidelines—

It goes on to describe those guidelines as applying to:

> —Public Service employees, Ministers, Members of Parliament and Senators, as well as their staffs, the Canadian Forces and the Royal Canadian Mounted Police; 0 per cent in the first year, and 3 per cent in the second year.

My concern about this ad arises from the fact that it describes the wage offer to the alliance as a wage offer consistent with the government's budgetary guidelines. It then goes on to say: "Guidelines which apply to all the following," as I have just read.

In fact, the government's budgetary guidelines, to the best of my knowledge, did not apply to the Canadian Forces and to the Royal Canadian Mounted Police, and

may not, except by inference, have applied to the staff of members of Parliament and senators.

It is my view that in stating that the budgetary guidelines do apply to those two groups, in particular the forces and the Royal Canadian Mounted Police, the government, in this advertisement, is anticipating passage of legislation which is still before this House, still subject to amendment, and still subject to whatever disposition this House may make of it and whatever disposition the other place may make of it.

To state that these guidelines, as offered to the Public Service Alliance, do apply, I believe is not consistent with actions that have been taken by the government in Parliament, and indeed pre-empts decisions that this House may take in its debate today and tomorrow.

I would ask, Mr. Speaker, that you have a careful look at this advertisement, in particular that section of it, and determine whether there is a question of privilege, in which case the proper motion would be moved.

I know, Mr. Speaker, you have dealt with similar situations in terms of public advertising, anticipating decisions of Parliament in this and in the previous Parliament. I wonder if you could advise as to whether there is a question of contempt involved in this advertisement and what the appropriate action would be if you find so.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, on the same question of privilege, I would urge you to take this matter very seriously as you have in the past when it has been raised in other forms, that the judgment of the House of Commons not be anticipated by the government, either by the kind of ad which has been referred to by the hon. member, or in advertising, or in any other way.

To do so is, in my judgment, a breach of the privilege of the House of Commons. It does not enable us to do our job as we are called upon to do. That is to make decisions when government is, in the course of advertising or in the course of placing the kind of ads referred to by the hon. member, basically predicting what the outcome will be and anticipating what the outcome will be and declaring the process of this House to be irrelevant.

It is basically saying that it will have its way and it is so confident of having its way that it can take out this kind of ad. I think that shows a contempt, not only for this

House, but for the entire democratic process. I hope that you would take these things into account when you render a judgment on whether or not this is indeed a question of privilege.

Mr. Speaker: Are there any further members rising on this matter?

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I was having a conversation. I wonder if I could just get the member to repeat the gist of what he was saying.

Mr. Blaikie: Mr. Speaker, initially I thought that the reluctance of any government members to rise had to do with the fact that what they are now being criticized for is the kind of thing they so righteously and self-righteously criticized when they were in opposition.

The fact of the matter is that it initially was not my question of privilege. I was saying that to take out the ad that was raised in the initial question of privilege by the hon. member for Ottawa West is to anticipate the outcome of the debate in the House of Commons. This declares the process irrelevant, the taking out of an ad on the basis of what the government thinks will happen in the course of the debate. I find that to be a violation of the privilege of the House of Commons.

• (1520)

We cannot do our job, as real decision makers, if the government, by taking out ads, is acting as if the decision has already been taken.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I am at a considerable disadvantage. I wonder if you might just give us a few minutes to get a copy of the ad and see what the member is talking about.

Mr. Speaker: The hon. member for Ottawa West has risen in the House on a question of privilege and has brought to the attention of the Chair an ad which was placed in one or more newspapers which reads:

> To all Canadians: Here's What The Public Service Alliance of Canada Walked Away From

It goes on to describe the consequence of the attempted negotiations which were taking place.

The hon. member for Ottawa West has referred to, specifically, the opening paragraph, which reads:

> A wage offer consistent with the Government's budgetary guidelines which apply to Public Service employees, Ministers, Members of Parliament and Senators, as well as their staffs, the Canadian Forces and the Royal Canadian Mounted Police: 0 per cent in the first year, and 3 per cent in the second year.

Whether this is anticipating legislation may depend on how one wants to look at the wording. But clearly, the hon. member's intervention is incorrect because her argument is that the Canadian Forces and the Royal Canadian Mounted Police, and maybe staffs of members of Parliament and the senators, were not included in the government's budgetary guidelines.

Now that is the issue that is in front of us. I am prepared to step this down for a few minutes and I will listen to the hon. member for Calgary West, say in 10 minutes or as soon as possible, unless he wishes to argue it now.

Mr. Hawkes: Mr. Speaker, as you were talking, somebody did bring me a copy of the ad. I think I am prepared, at least in a preliminary way, to deal with it.

The ad states, I think, rather clearly that the President of the Public Service Alliance has called for a resumption of strike action rather than respond positively to the following offer made by the Government of Canada. So it is an offer made by the Government of Canada.

It is my understanding that all parts of that offer exist within the possibility of present control. For instance, the part dealing with members of Parliament and senators is dealt with by the Parliament of Canada Act. As for the Canadian Forces and the Royal Canadian Mounted Police, there are acts that allow the government certain prerogatives when it comes to these issues.

We may, indeed, be superseding those acts with a piece of legislation that is before us, but at the moment, there is nothing in the offer that was not possible for the government to bring into being. That is my preliminary understanding. I will be glad to check that one more time, but I do not think there is anything inconsistent within the parameters of government responsibility today. The government is responsible for these issues and this indeed was an offer.

SPEAKER'S RULING

Mr. Speaker: I am going to deal with the matter now because of what is before the House and I think it is better to deal with it rather than delay.

First of all, the hon. member for Ottawa West is raising a matter which has been before the House before and especially in a ruling which I had to give many months ago with respect to certain ads that were published by the Government of Canada relating to the

goods and services tax and which was done in quite explicit language and, in my opinion, quite improperly. They were printed in such a way that anybody reading it would assume or could easily assume that the legislation had, in fact, been passed by the House of Commons and would come into effect on a certain date which was stated in the ads. After listening carefully to certain remarks I decided then that the ad was not appropriate because it was doing exactly what ought not to be done, and that was making a very clear indication to anybody reading it that the legislation had in fact been passed.

I decided that it stopped just short of a contempt for reasons which I explained in that judgment. Nonetheless the matter gave the Chair a great deal of concern and, as has been said on a number of occasions since by both sides of the House, it is a matter that we should watch very carefully.

That is of course the point that the hon. member for Ottawa West and the hon. member for Winnipeg Transcona are making, that this is much the same.

I want to thank the hon. member for Ottawa West for bringing the matter to my attention and, as I say, these matters are not always easy to be absolutely sure of at first glance, but a principle and a serious one is of course involved.

I have had a chance to consider the ad very carefully. First of all the ad is, as the hon. member for Calgary West said, indicating an offer made by the government to the Public Service staff, the Public Service Alliance, during the discussions which have been taking place over a number of days.

The paragraph to which the hon. member for Ottawa West takes exception reads:

> A wage offer consistent with the Government's budgetary guidelines which apply to Public Service employees, Ministers, Members of Parliament and Senators, as well as their staffs, the Canadian Forces and the Royal Canadian Mounted Police: 0 per cent in the first year, and 3 per cent in the second year.

It may well be depending on how one wants to analyse that sentence—and I do not intend to be a grammar teacher here—that the hon. member for Ottawa West is pretty close to the mark when she says that this might give somebody the idea that the Canadian Forces, the Royal Canadian Mounted Police, members of Parliament and senators' staffs were included in the government's budgetary guidelines. I would say that is an argument which certainly is a credible one.

One might also argue on the other side that it depends on how you read it. But I certainly have to say in my view that the hon. member for Ottawa West has put forward a credible argument and I think that, depending on how much one knows about the background, the sentence in itself does create some confusion.

But I have looked at the ad carefully and where it falls away from being exactly the same or even nearly the same as the ad on the GST is that this is not talking about in my view legislation which "has been passed or is in place". It is talking about an offer made under circumstances in which I think it would be reasonable to assume the government would then have to do whatever was imperative to place that offer into effect in the event that the offer was accepted. I find that it stops short of the contempt that the hon. member for Ottawa West is asking me to find.

However, I again say that there is some confusion even in my mind, and I of course am not in a position to argue the facts on it, about that original paragraph. I do not think it is a confusion which leads to a contempt, although it certainly may lead to a question of debate in the House.

I want to thank the hon. member for Ottawa West for bringing it to my attention. I thank the hon. member for Winnipeg Transcona for intervening, and I thank the hon. member for Calgary West.

I would ask hon. members, whenever possible, when dealing with those who write these ads to take care that what is in the ads is accurate and to take very great care that what is in the ads does not anticipate beforehand something that this House may or may not do.

ROUTINE PROCEEDINGS

• (1530)

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 14 petitions. [*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*English*]

CANADA–EUROPE PARLIAMENTARY ASSOCIATION

PRESENTATION OF FIRST AND SECOND REPORTS

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House in both official languages the first and second reports of the Canada–Europe Parliamentary Association.

The first report concerns the 19th annual meeting of the delegations of the Canadian and European Parliaments. I want to ask all my colleagues in the House to take special interest in this report as it deals with the forestry and the great whale projects. The Europeans have a great deal of interest in these projects.

We recall what they did to the fur industry and so I would urge support in these and being aware of what the European Parliaments are studying about Canada.

The second report deals with the bilateral exchange in Turkey and the U.S.S.R.

This took place in June 1991. I would like to say, particularly to the Minister of Agriculture, who is in Brussels, that there is a great deal of interest in Turkey for Canada.

The GAP project is one in which Canada could become very much involved as Turkey expands its agricultural capabilities and I would hope that we would become involved.

The U.S.S.R. is open to Canadians. It would like to have a delegation of Canadian parliamentarians there in the very near future.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ralph Ferguson (Lambton—Middlesex) moved for leave to introduce Bill C–302, an act to amend the Criminal Code (offences against the foetus.)

He said: Mr. Speaker, as a member of Parliament, as a father and a grandfather, I believe very strongly in the sanctity of human life.

It is my commitment to the constituents in my riding to work to protect the rights of the unborn. That is the purpose of this bill. I am honoured to present it in this House today.

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

* * *

[*Translation*]

PETITIONS

EMPLOYEES' RIGHT TO COLLECTIVE BARGAINING

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to submit a petition, pursuant to the Standing Orders, which calls upon the government to give up or reject wage control and to reaffirm its support for the free exercise of all Canadian workers right to collective bargaining.

Mr. Speaker, the present government is prepared to deprive Canadian workers of their right to collective bargaining, to threaten them with lay–offs, especially by contracting out to interfere with the conciliation and arbitration processes, and to legislate them back to work.

These petitioners are asking that action be taken without delay to correct this situation.

[*English*]

PUBLIC SERVICE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have here before me, in accordance with the rules and regulations governing such, three petitions to present to the House.

Two address the question of the work stoppage, the strike today. These petitioners deplore the fact that the government has botched up this whole process. They note that the workers want to get back to work so as not to disrupt what is happening in Canada today. This is a good point, they indicate, to appoint a mediator so that we can get them back to work and get the country moving again.

POST-SECONDARY EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): My second petition deals with the 3 per cent administrative tax which some people consider perhaps even illegal, certainly immoral. That is the one, Mr. Speaker, you will recall, where you have to pay up front for the student loan that you need in order to continue your post-secondary education studies.

The petitioners are particularly angry when the government talks about competitiveness and all of those buzzwords and when it taxes students in spite of the fact that they have already been penalized with the goods and services tax on books.

CANADA POST

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I have a duly approved petition here from residents of the community of Westport in my riding. I believe that every resident in R.R. 2 Westport has signed this petition.

What they are petitioning against is the manner in which Canada Post awards rural route contracts these days.

We had a loyal, faithful rural route carrier who had been in business there for 25 years. He missed one day in 25 years and found that his contract was taken away from him on the basis of a few dollars. This is inherently the problem when a government would have a position where it would base it strictly on money.

The petitioners are asking that the minister in charge and Canada Post re-examine the basis on which rural route contracts are awarded so that contracts will not be awarded solely on the basis of money.

PUBLIC SERVICE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise to present a petition today signed by numerous residents of various communities across Ontario and Quebec.

These residents are opposed to the federal back-to-work legislation. They reject the imposition of wage controls. They call on the government and this Parliament to reaffirm its support for the free collective bargaining process in Canada and call upon the government to withdraw this bill and proceed to the negotiating table where these matters should be settled.

[*Translation*]

PUBLIC SECTOR COMPENSATION ACT

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I too have a petition signed by a number of Canadians. These citizens are asking this House to demand that the government reject this bill which purports to force government employees back to work.

These petitioners call upon Parliament to reject wage control and to reaffirm its support for the free exercise of all Canadian workers' right to collective bargaining.

[*English*]

GASOLINE ADDITIVES

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today, pursuant to Standing Order 36, to present this petition to the House. It asks that the government take immediate steps to ban methylcyclopentadienyl manganese tricarbonal from all automotive fuels in Canada.

I was shocked when I read in the June issue of the Canadian Medical Journal that a substantial percentage of infants in the city of Montreal are iron deficient. We are aware that medical researchers in laboratory tests using animals find that when there are iron deficiencies the uptake of manganese is increased. This would indicate these infants in Montreal and across Canada, whose blood brain barriers and immune systems are not yet in place, may be victims of this insidious neurotoxic substance that will accumulate in their systems over a period of time.

In the name of the children of Canada, I ask this government to ban methylcyclopentadienyl manganese tricarbonal now.

TAXATION

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to present further petitions asking Parliament to acknowledge that it is the federal government's high interest rate-high dollar policy and 33 new taxes or tax increases since 1984 that are the source of inflationary pressure, not wage demands; that the wage compensation package proposed by the government has no

flexibility and treats everyone the same whether a clerk, deputy minister or president of a Crown corporation.

• (1540)

We have learned that well in this past week.

The petitioners ask Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a petition here signed by several hundred petitioners, Canadian citizens from Sault Ste. Marie, the district of Algoma, North Bay and a number of other communities throughout Ontario, in which they deplore the imposition of 33 new taxes since September 1984 and state that these increased taxes have deepened the recession and caused inflation.

They call upon the government not to impose wage controls and to reconfirm its support for free collective bargaining for Canadian workers.

Mr. John Manley (Ottawa South): Mr. Speaker, I also have a large number of petitions to present today pursuant to Standing Order 36 from Canadians from many parts of the country: New Brunswick, the Northwest Territories, Yukon, the national capital region and from northern Ontario, all protesting the government's action in raising taxes 33 times since 1984 and proposing to terminate the collective bargaining rights of public servants across Canada.

[*Translation*]

WAGE FREEZE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and the privilege to table a petition signed by a large number of Canadians opposed to the way the Conservative Government is mistreating its public servants by refusing to negotiate with them.

The petitioners now avail themselves of their ancient and undoubted right to ask the House of Commons to reject the wage freeze requested by the Conservative Government.

QUESTIONS ON THE ORDER PAPER

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall all questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

The Acting Speaker (Mr. DeBlois): Pursuant to the order passed on Tuesday, September 17, 1991, and Standing Order 100, I do now leave the Chair for the House to go into the Committee of the Whole.

The House in Committee of the Whole under the chairmanship of Mr. DeBlois, resumed study of Bill C-29, an Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto.

The Assistant Deputy Chairman: Order, please. Upon recess, the hon. member for Ottawa—Vanier had the floor.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Chairman, the amendment in front of us is quite simple and will allow members of the government and the President of the Treasury Board to tell us what their offer is made of.

In fact, Mr. Chairman, the amendment proposed by my colleague for Ottawa West suggest to apply the wage freeze to the following definitions, and I quote clause 2, page 2: "—does not include—and this would be eliminated from the bill—any allowance, bonus, differential, premium or other emolument or benefits paid in respect of circumstances specified by order of the Treasury Board."

The object of this amendment is specifically to give the President of the Treasury Board the opportunity of being

clear about the position of the government regarding bonuses, premiums and other benefits.

You will recall that last week, there was quite an outcry when we learned that big shots, people already so well paid that they needed a yearly bonus, were about to receive or had already received bonuses which in the case of Mr. Lawless of CN Rail amounted to $84,000, when his annual salary is a mere $365,000. Not bad! The bonus for Don Lander would be about $62,000 for an annual salary of $250,000. Nothing to complain about! And the list goes on. Atomic Energy of Canada: $50,000 on a $208,000 salary.

The general public and the Public Service employees feel somewhat disgusted when they see how generous this government, which refused to recognize the needs of its own employees, could be, how it could so freely give away the taxpayers' money to the big shots at Crown corporations.

Mr. Chairman, that is the first thing you have to acknowledge. Were it not for this government's lack of integrity, as we perceive it back home, we could still be at the negotiating table today. The civil servants and the unions were shocked, Mr. Chairman, and I don't blame them. It is insulting to be told that legal, logical collective bargaining is out of the question, while the government tries some new tricks, as was the case with the chairman of Canadian National and the chairman of Canada Post.

I think Bill C-29 which is now before the House, Mr. Chairman, puts an end to 25 years of collective bargaining between civil servants and the federal government. Things will never be the same. The Conservative government has now created such an awful mess that I do not see how we can solve this, unless we go back to the table and negotiate in good faith and, after this unfortunate experience, go back and rewrite, review, and revise all the legislation relating to the civil service, such as the Public Service Employment Act, the Public Service Staff Relations Act in particular, and the Financial Administration Act.

[*English*]

Parliament passed the Public Service Staff Relations Act in 1967. It established the Public Service Staff Relations Board. Parliament set the bargaining process in motion with a deliberate preference for the operational principle of the adversarial system. It was a choice that was made by this House in 1967.

Certain areas are restricted from collective bargaining and others by arbitration. Certain members of personnel were excluded from union membership. Others were designated as those who performed services essential to the public health and safety and could not join their fellow unionists in the event of a strike.

Public Service unions were given two possible routes to resolve disputes. One is binding arbitration. The other is the appointment of a conciliator who assists in non-binding recommendations for settlement. If an impasse exists and no resolution is possible, Public Service employees have a right to withdraw their work, that is they have a right to strike.

In my opinion, public servants have a good case to make when they complain that collective bargaining granted to them in 1967 is too restrictive.

• (1550)

Those of us who have been in this House for some years know and recall how this Progressive Conservative Government in 1984 said: "We are going to review the Public Service Staff Relations Act. We are going to try and give you more in terms of flexibility".

I want to remind the House that under the Public Service Staff Relations Act, such things as bargaining, promotions, demotions, staffing levels, or what we call classification positions, lay-offs and pensions are non-negotiable. You cannot bargain on those things. Those are things that can be bargained under the Canada Labour Code, but they cannot be bargained under the Public Service Staff Relations Act.

Federal public sector employees are usually dead last when compared to the private sector, when compared to municipal or provincial employees' salary packages. The last time I looked at it, it was clear to me that this so-called fat cat image that was promoted by some right-wing politicians in Canada was making people believe that Ottawa public servants and 75 per cent of the others who work outside of Ottawa—the National Capital has about 25 per cent of the total public servants of Canada— were fat cats, that they were over-paid and under-worked.

In those days the government did not help the image. I can recall and I am sure everyone in this House can what Mr. Mulroney was saying about public servants in 1983. I will not repeat it because I thought in those days that it

was wrong to do this kind of goading of public servants in trying to score with the right wingers of Canada.

This government has definitely, definitely goaded, provoked public servants into a situation which, in my view, is not their fault by the government's sole responsibility. The Public Service Staff Relations Board said the government did not negotiate in good faith.

Mr. O'Kurley: They did not say that.

Mr. Gauthier: Read the judgement. Read the decision. I can quote it for you. Page 10 of that decision: "This board, in general, shares the view expressed in the cases cited above. The obligation provided under the Public Service Staff Relations Act to bargain in good faith and make every reasonable effort to conclude a collective agreement is not substantively different for this employer than it is for any other employer in any other jurisdiction—" and so on.

Whether you like it or not, the Public Service Staff Relations Board said clearly, at least to my ears, in English and in French that this government did not bargain in good faith.

I come back to my original thought. This Mulroney government has destroyed any chance of employer-employee peace in the near future. Further, it has abandoned good faith bargaining with its employees. In my view, it has purposely, deliberately provoked the Public Service of Canada.

[*Translation*]

Mr. Chairman, thousands of loyal and competent employees in the Public Service are affected by this legislation. That includes clerks, secretaries, librarians, information officers.

I would like to go back to the three or four points that were raised this morning. We talked about pay equity. What is pay equity, Mr. Chairman? I have here a definition of that term. Pay equity: the obligation to pay the same salary to men and women in the same organization if the work they perform is deemed to be of equal value. The value of the work is based on a combination of the following factors: 1) skills and knowledge; 2) physical and mental effort; 3) responsibilities; and 4) working conditions.

Now, Mr. Chairman, there is the whole problem of regional pay. Electricians working for the Public Service of Canada receive $3.94 less in St. John's, Newfoundland, than in Victoria, BC. A first-class fireman employed in a federal airport earns $8,000 less per year than his municipal counterpart.

The other item involves job security. People say, and that is what the government's ad says, that public servants enjoy a certain degree of job security. Mr. Chairman, everyone knows that 13,000 positions have been cut since 1985. The government spends $5 billion for contracting out without establishing if it is cost-efficient. I defy anyone to find out how much contracting out costs the government. Try to find it in the books. Can any member in this House, can even the President of Treasury Board tell me where to find the total cost of contracting out government services? Unions say $5 billion. We can therefore believe that it is much higher. As things stand right now, it is impossible to know with certainty. Even the Public Accounts Committee that I chair has tried, without success, because bookkeeping is done in such a way as to make it impossible to have a clear and exact picture of the cost of contracting out.

As for the cost of living, Mr. Chairman, civil servants as each and everyone of us have been taxed by this government ever since the Tories came to power in 1984. That was seven years ago! The cost of living index has risen by 5,8 per cent since September 1990. Everything has gone up, the cost of living, taxes, income taxes, for civil servants as for everyone else. The government's annual salary budget, including social benefits but excluding the Armed Forces, totals $12 billion; that of the civil servants members of the Alliance represents $4,8 billion, that is to say 3 per cent less than the federal government's expenses. Those who are now on strike, Mr. Chairman, represent less than 3 per cent of the pay envelope.

Interests on the debt alone are totalling $41 billion a year. We talked about the debt last week and I refer those interested by that matter to read last week *Hansard*. They will get their money's worth!

Mr. Chairman, 67.9 percent of those who earn less than $30,000 in the Public Service of Canada are women. Sixty-eight per cent, Mr. Chairman! Fifty per cent of the

members of the Public Service Alliance of Canada earn less than $27,000 a year.

Several thousand public servants affected by the strike earn less than $20,000. I will come to that because constituents have sent me letters and have called me to explain their situation.

In 1990, 84,470 public servants earned less than $35,000. In 1982, Mr. Chairman, during a debate in this House, Michael Wilson found—and I emphasize it—"unfair" the 6 and 5 per cent salary increases offered to public servants. He was asking the government of the day—and I quote—"to provide a salary restraint program that would have some flexibility so that people on low incomes who are in the worst economic position today could be treated differently and those who warranted some merit increases could be treated differently". That is what Michael Wilson said in the House of Commons on June 29, 1982. Mr. Chairman, I do not know where he is today, but in 1982 that same minister was against treating public servants unjustly especially those who earned less than average.

Mr. Chairman, section 15 of the Canadian Charter of Rights and Freedoms and the 1982 Constitution Act reads as follows: "Every individual is equal before and under the law—"

Would big companies in Canada have the same right as the federal government to act like the governement is presently doing? Would they have the right to refuse to negotiate in good faith, to refuse to appoint a mediator, to impose their own choices?

• (1600)

The Tory government is trying by all means to draw the public's attention away from the causes and effects of free trade, of the GST, and to impute them to the lowest paid of its public servants.

Mr. Chairman, I could go on and on, but I only have 20 minutes and I would like to ask a few questions to the President of the Treasury Board.

[*English*]

There is no good reason to have abandoned 25 years of hard work in employee-employer relations in favour of a power struggle which is becoming increasingly ugly. This Tory policy of finding an enemy within the public servants of Canada is wrong, very wrong, dead wrong.

The Conservatives under Mr. Mulroney are trying to create an anti-public service atmosphere and they are failing. They are trying to distract Canadian attention from their own unpopular image. They are trying to find a scapegoat.

Mr. Mulroney himself, the Prime Minister, is trying to fool some Canadians into thinking that public servants are the enemy. I resent that strategy and so do many thousands of public servants.

In my riding, the average pay of a member of the Public Service Alliance of Canada, which is striking today, is $27,000. Many in my riding earn less than $25,000. I resent very much this government telling my constituents that they must accept lower pay, no job security, no pay equity, no rights to bargain. At the same time, this government is burdening them with high taxes, including the GST, increases in unemployment insurance premiums, high interest rates, 5.8 per cent inflation. The government is asking them to accept sacrifices while not providing the means to bear these sacrifices.

Public servants suffered for the last seven years under this government, which came into power in 1984 with the avowed—and I remember very clearly because we fought it at that time and we fought an election on this issue—objective to slash jobs in the Public Service, to demoralize the public servants by contracting out the jobs they had, to privatize Crown corporations, to unjustly decentralize. I come back to the Farm Credit Corporation move which was just announced last week.

What a coincidence. On the same day that we started looking at Bill C-29, this bill to force them back to work, we hear the government found, I am told, $10 million to move 200 public servants to Regina. On that same day a Tory government called an election.

I could read into the record, if the minister wants to hear them, letters from members of the Farm Credit Corporation of Canada who take exception to being used as pawns in this political game of his.

I only have one minute, and I want to ask the minister the essential questions on this debate. There is an amendment before us put by the member for Ottawa West. That amendment reads:

> That clause 2 be amended at page 3 by deleting lines 2 through 6 and substituting the following therefor:
>
> —amounts of pay—

In other words, the gifts that were given were called by some editorialists luxury bonuses that were given to certain people. Is the government going to support this amendment, making it clear to all Canadians that there will be no bonuses, no indemnities, no special treatment for its friends in higher offices?

[*Translation*]

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Thank you, Mr. Chairman. I first wish to inform the hon. member that the government is very firmly determined not to leave any doubt on the matter of bonuses and performance pay.

I repeat once again that, for the current fiscal year, the year running from April 1991 to April 1992, the salary of these people has been frozen in April 1991. When it is time for a bonus, at the end of April 1992, they will receive zero cent.

As for the legislation, I can say that I receive his proposal positively. I am told that the wording presents only one risk, by preventing the Treasury Board, for example, from adjusting travel allowances, or such other matters. Which does not worry him at all, I think.

With your permission, I will ask my counsels to discuss with Opposition members, to see if we can find a suitable wording; but, we very clearly have no intention to go back on that issue. It will be done through legislation, or another way, but it will be a matter of wording. Not being a lawyer, and I do not apoligize for that, I will not go into the subject.

However, I would remind the hon. member that, because of the present situation, it is risky to talk about these bonuses which were never given. I would thus recommend him some caution.

He also made a little exaggerated statement when he said that we are ending 25 years of negotiations. Would he have wanted us to do as two liberal governments did, those of Newfoundland and New Brunswick, and impose a 0 per cent raise in the Budget? We preferred, after 25 years of negotiations, trying to solve this problem by means of negotiation. We did sit at the bargaining table for 60 days. Then we went to conciliation. We were in conciliation for 30 days without having a single proposal from the Public Service Alliance allowing us some hope of progress.

In other words, if we made a hard decision in the Budget by establishing pay raise parameters at 0-3-3 for three years, it is because of the difficult situation our country is currently facing. We must not lose track of what is happening in the country. Quite a number of companies have experienced hard times and as we are getting out of our recession, we must send them a very clear message, telling them that we are determined to do our share.

Further on, he said that we tried to solve our budgetary problems on the backs of public servants. No. What we are asking public servants is to do their bit, along with many others. We ask unionized workers to do their share. We also asked managers to do their bit, since we will cut their number by 10 per cent. We asked the provinces to do their share, by reducing the rate of increase of their transfers. These will continue to grow, but the growth rate will be reduced. We asked all departments to do their share, since we intend freezing their overall operating costs.

So we asked everybody, be it the Prime Minister, the ministers, the opposition leaders and all the members of this House, to do their bit. If our process was such as he describes, can it be that four unions managed to use it and sign agreements accepting the 0-3-3? How can it be that binding conciliation reports recommended settlements within the parameters we established? Is it not because the Public Service Alliance, even before the budget was laid down, and immediately after, stated that it had absolutely no intention of negotiating, that it was launching into a political fight?

As for us, we made serious efforts. I told you the number of full days we spent at the table. Only this week, we had 35 negotiation meetings.

Now we could have done like those other Canadian governments who took even harsher measures. We had to take these measures because of an extremely difficult situation. With its deficits and its debt, the government takes up too much room. It takes up all the money available. Next year, we will pay $41 billion in interests. We are taking up all the money. And all the businesses wishing to get going again are stuck because we have them nothing. At budget time, we decided to make an effort. We saw there was also a risk of inflation brought upon by a very high increase in manpower costs, an increase of 25 per cent as compared to the United States for the last few years. So we wanted to send a very clear signal to everyone: Careful! We have to get with it. And the best way to do it, as one of the major employers in Canada, would be to take our responsibilities. The hon.

member spoke of loyal employees who are being affected. He spoke of less favoured people whose salaries are much lower and who will be affected. But it is not the Treasury Board who terrorized people on picket lines. It is not the Treasury Board who accused those people of being scabs and scum of the world. It is the leaders of the PSAC who should ask themselves what kind of respect they have for their own employees.

• (1610)

On the other hand, knowing how difficult the salary freeze is on them, we have offered those less favoured employees, as I indicated this morning, who earn less than $27,500, a $500 bonus, a lump sum payment which will help them to make it through this difficult period.

The member also spoke of job security. He said that for one thing the government is proud to have slashed 13,000 jobs. What we have eliminated is positions. We have made the public service less expensive. But we have protected our employees since 1986. Between 1,300 and 1,400 public servants over a quarter of a million lost their jobs. And, in most cases, it was because they did not want to move to another place while we were willing to provide them with adequate training and to help them, for two years, to find something else. As an employer, we have nothing to be ashamed of.

We will not excuse ourselves for trying to manage more rigorously the country's finances or to maintain services at a lower cost.

The member spoke of regional rates of pay, he said we paid certain classes of employees lower salaries in Newfoundland than we did in Toronto. That is obvious and it is indeed our policy in a number of areas not to interfere in a certain region and completely disorganize the local market with salaries that are not in accordance with the local reality. So it is our policy not to do that according to the best rules both of good management and employees well-being.

So, if I may, Mr. Chairman, I would essentially invite the hon. member to think about my remarks and to try to be a little more level-headed in his accusations. In summary, no merit bonuses or performance awards will be given this year, that is for the year 1991-1992, if we find a satisfactory wording. Anyway, there will be none at all if we find a satisfactory formulation. As for me, I do not oppose in any way the fact that this be included in the law if it does not stop us from making adjustments, if you will, to travel expenses, etc., that are adjusted almost periodically.

And as for the negotiation, I want to ensure the hon. member that it has been done in good faith, that we have really tried to find a solution and that we are not the ones who left the table. The union is the one who dit it.

Mr. Gauthier: On a point of order, Mr. Chairman, I appreciate the minister's comments about the amendment before us. He said that except for the wording that could perhaps be tightened, or qualified again or redone, he would accept to include or exclude, if you will, the bonuses and all that.

I would like to ask him a very specific question. He said that the bonuses are excluded, that there will be no bonuses. But the answer is that there will be no raises if there are no bonuses.

Mr. Loiselle: The raise was due on April 1st, but it was not granted. These people were given a zero raise; therefore, they are in the year zero. So, when comes the time for the bonus at the end of the year they will receive a cheque for the amount of zero cent, zero dollar.

The Assistant Deputy Chairman: So, before recognizing the member from Saint-Maurice, I recognize the member from Mission—Coquitlam.

[*English*]

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I have a number of questions which I would like to ask the minister, specifically under section 2. I will try to be very specific. If I could just give the minister the questions, possibly he could answer them all at once.

First, under section 2, subsection 1(a), I would like to know if the minister could tell us which workers are covered under the Canada Labour Code.

Second, is it the intention of the government to impose wage controls on all workers under federal jurisdiction?

Third, are other workers under the Canada Labour Code next, such as those who are not listed here?

Fourth, this is the section that refers to the Canada Labour Code. Why are those under the Canada Labour Code being included in this pre-emptive way, beyond those who are in the Public Service Alliance?

Fifth, is the Government of Canada the collective bargaining agent for all of these workers?

Sixth, under 2(1)(b), is the government intruding on parliamentary privilege under this section?

Seventh, under 2(1)(b), are not MP's budgets now global with the right to determine numbers of employees and rates of pay?

Eighth, under 2(1)(c), this is under "Definitions." Will the government explain its intrusion upon, and pre-emption of, other collective agreements that have been negotiated in good faith by Public Service Alliance of Canada and other recognized bargaining agents?

Ninth, under 2(1)(c), because by law, a member's, meaning members of Parliament, staff is not entitled to be represented by a union, does the minister intend that those workers who are staff for the NDP caucus, and who have collective bargaining rights under voluntary recognition, shall be stripped of their rights under their collective agreement?

Tenth, under that same section, will the government respect the collective agreement signed between parliamentary association support staff and the NDP caucus?

Eleventh, does the minister believe in the principle of free collective bargaining?

I would also like to ask the minister: Under "compensation", under the (b)(ii) part of that definition, does this clause mean that the minister will grant adjustments to compensation, from time to time, at his discretion, with the approval of Treasury Board?

Does this not mean that the minister can be swayed by lobbying, pressure tactics and at his own whim? Does this clause mean that the minister can remove whole groups or sections now covered by this legislation? Does it mean then that it is an escape clause for the minister? Does subsection (b)(ii) also mean that those persons under the definition of "employee" who do not have a bargaining agent can appeal directly to the minister as individuals, groups or departments? Under this clause, what kind of directive policy, regulation or agreement is the minister capable of recommending under section (b)(ii)?

Is the minister intent on passing this legislation, that goes far beyond the back to work order, and then make deals with the powerful or with his friends? Is it not the minister's intent to cut his own deals after this legislation is passed? If it is not his intent, why is this clause in a "compensation" definition of the legislation?

Under "compensation plan", does this include the agreement between PSAC and the NDP caucus? Does the minister intend that individual MPs and senators will bargain with the minister and Treasury Board for their own future salary increases? Does this clause include operating budgets of MPs and senators?

Under the section that is referred to as "employee" under "Definitions" are MPs, cabinet ministers and senators now considered to be employees? Why, in establishing this legislation, has the minister not included his friends, CEOs and senior executives of Crown corporations?

Under the definition of "strike", does this mean that an individual cannot be on strike unless he or she is acting in concert with others? Does this section include workers who judiciously follow work place rules who, therefore, appear to be working more slowly than normal, when normally they cut corners for speed and efficiency? Does this section include members of Parliament, cabinet ministers and senators?

Under the "wage rate" definition, Mr. Chairman, I would like to ask why this bill does not apply to bonuses paid to senior managers. Will the minister explain the difference between compensation and reimbursement for expenses? Will the minister explain what allowances are not included? Will the minister explain what bonuses are not included? Will the minister explain what differentials and premiums are not included?

The definition of "emolument" using the *Oxford Dictionary* is: "profit from office or employment, salary." Will the minister explain what will be realized and by whom? Will the minister explain what benefits are not included?

Under the "Expiration of compensation plans", can the minister tell us how many employees do not have a set date for revision of wage rates, and when those revisions would take place?

• (1620)

Finally, I would like to ask the minister if he would agree to a unanimous consent request to call Mr. Bean and Mr. Capello to the bar as witnesses during Committee of the Whole.

Mr. Loiselle: Mr. Speaker, the answer to the last question is no, but to the others, she has been throwing them faster than I can write them so I will wait for the transcription and I will provide the answers as quickly as possible.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Thank you, Mr. Chairman. I welcome the opportunity to take part in this debate because I feel the present situation has gone on long enough and that Parliament should be allowed to legislate, as soon as possible, and end to the dispute between the leaders of the Public Service Alliance of Canada and the Government of Canada, or more specifically, Treasury Board.

Perhaps I may first comment on the tragi-comic role played by the Leader of the Opposition during Question Period today. The Leader of the Opposition rose in the House looking very stern and very angry. He was outraged that as a result of this dispute, farmers and especially Western farmers had lost up to $30 million per week. He said it did not make sense. The strike had been going on for two weeks, people had lost up to $30 million and this was jeopardizing the grain transportation industry in Western Canada, and finally the minister had not even considered designating these workers as providing an essential service.

It was rather interesting to hear the Leader of the Opposition tell us that after two weeks, the strike had caused irreparable harm, that it had to be settled quickly and that he was angry at the President of the Treasury Board.

Mr. Chairman, in 1975, the present Leader of the Opposition, who is so upset today, was then the member for Saint-Maurice and President of the Treasury Board of Canada. Do you know what happened in 1975? There was a strike in Western Canada. Grain shippers went on strike when the Leader of the Opposition was President of the Treasury Board. This morning, he was angry at our government for letting the strike go on for two weeks. He said it did not make sense and that we were going to destroy the economy of Western Canada. Do you know what the Leader of the Opposition did way back when, Mr. Chairman? He let the strike by grain shippers go on, not for a week, not for two or three weeks like the strike we have now, but for 31 days. He was President of the Treasury Board. He even went so far as to say the country would understand that sometimes we had to put up with some inconvenience because of a minor strike. Interesting. This was a strike by the people who shipped grain in Western Canada. A strike that lasted 31 days. But when he was President of the Treasury Board, it wasn't important. When the hon. member for Quebec City is President of the Treasury Board and the strike goes on for 14 days and negotiations are broken off, that is serious stuff, and so he rants and raves on the floor of the House.

On top of that—if the hon. member for Glengarry—Prescott—Russell would care to listen—do you know, Mr. Chairman, what kind of settlement the federal government granted its employees from the West in 1975, after they were on strike for 31 days? The Canadian people who are following this debate will understand why we have such a terrible deficit in this country and why it is so difficult to get it under control. After these 31 days of strike, the present leader of the opposition finally granted a 29.2 per cent wage increase over a two-year period! That is what he managed to do, Mr. Chairman, with the consequences that we know on the next generations of Canadians, these children who are yet to be born and who will have to pay during their entire lifetime for the mistakes that government made in the 1960s and 1970s.

Mr. Plourde: He gave them more than they were asking for.

Mr. Pronovost: He did indeed give them more than they were asking for, as the hon. member for Kamouraska—Rivière-du-Loup has just pointed out. The union was asking for slightly less, and the President of the Treasury Board sought to buy peace by giving them an extra one per cent. That is going a little too far!

Earlier I was listening to the hon. member for Ottawa—Vanier and I can understand him, considering that his constituency is made up mostly of federal public service employees. I understand that he should stand up for them because they are his constituents. I too have many federal civil servants in my riding. For the province of Quebec, I may have more relatively speaking, Mr. Chairman, considering my riding is partly rural and partly urban. Yet, I will never toady to the local PSAC leaders. I refuse to do so although I know that these people are being penalized today. That is true! You know that nobody finds it amusing to get a 0 per cent increase.

On the other hand, the President of the Treasury Board came up with a proposal to give employees in the lower brackets, in view of the financial situation of the country, a $500 increase. And what did Daryl Bean think of that? He called it a slap in the face. Five hundred dollars; a slap in the face!

With the number of unemployed and welfare recipients in my riding of Shawinigan, Mr. Chairman, I know that many men and women in Quebec who would not mind getting a $500 slap in the face from the federal government. How many people across the country, do you figure? Personally, I am happy that federal civil servants are entitled to a slew of fringe benefits. I am not jealous. I think that we treat them well. Maybe union leaders should be reminded that there are in Canada millions and millions of workers who do not have a dental plan entirely paid for by the government or fully indexed pensions.

Mr. Chairman, civil servants' pensions are fully indexed. This is a monetary advantage for which Canadian taxpayers will pay for years and years to come. It is still reasonable.

I heard the Liberal member from the Ottawa area—because you see, since most federal civil servants are in the Ottawa area, we are no longer in the Quebec round or the Canada round but in the Ottawa round. You saw that today, Mr. Chairman. All members from the Ottawa area are out to defend the public servants and I understand them in a way.

They said that because the Liberals were in the habit of spending, the federal government will not save on the deficit we have by cutting a little from the Public Service. But for people in Shawinigan and my riding, Mr. Chairman, millions and billions of dollars are sizable sums of money. This government's wage control plan will save the federal treasury $675 million this year and about $3.5 billion over five years. That may not be much for the member for Glengarry—Prescott—Russell, because when he was in power, he spent.

Mr. Boudria: I was not even here.

Mr. Pronovost: But you were here in thought anyway. You drove around in the buses and heard what the MPs were saying. At that time you drove a bus, you were a House of Commons employee. You knew what was going on. Already a Liberal at heart!

Mr. Chairman, for the Liberals, a saving of $3.5 billion a year is not much. But the people in Saint-Boniface in my riding know that this plan, which applies to all MPs, ministers, RCMP officers, everyone without exception, and will save $3.5 billion and they realize that this government has at least taken note of the situation.

We will go even further. I just heard some Liberal members say that the four federal public service unions that accepted the 0-3-3 offers caved in to the government.

That is strange, but I will take the province of Quebec as an example. In the first six months of this year, public service unions in Quebec signed an agreement providing for no wage increase, without going on strike. Even comrade Gérald Larose of the *Confédération des syndicats nationaux* signed this document with Mr. Daniel Johnson, President of the Quebec Treasury Board. Gérald Larose, the president of the CSN, the most militant of all unions not only in the Province of Quebec but also in Canada, said: We don't like it, but the Quebec government has no choice because workers in the private sector have to make sacrifices and provincial civil servants should do the same.

Fernand Daoust of the FTQ and Lorraine Pagé of the *Centrale de l'enseignement du Québec* took a similar position. They said: We do not like it, but we have to realize that the Quebec government is in a fiscal position that has an impact on all Canadians. All those union leaders signed that document. They didn't put anything in shambles anywhere. In Nova Scotia, the provincial government has imposed a freeze at 0 per cent. In Saskatchewan, an increase of 2 per cent over two years. In Manitoba, 0 and 2 per cent. In Newfoundland, 0 per cent. In New Brunswick, 0 per cent. The most generous government, in the whole of Canada at the present time,

is the federal government, with 0, 3 and 3. And we have a national strike, the consensus is broken.

• (1630)

I would like to say this: In Quebec, in 1972, we had a terrible strike in the Quebec Public Service. Union leaders from the CNTU, the FTQ and the CEQ were sent to jail. The social contract was totally torn apart. But unions in Quebec and the government understood something: the superior interest of the nation in such a bargaining. You cannot, Mr. Chairman, paralyze a country like it's being done today. Especially when you have seen what Mr. Daryl Bean and Johane Hurens can do.

People are saying that if the federal government is going to freeze salaries at 0 per cent, it is going to hurt. They are right, it is going to hurt, and I recognize it. This is being said when we known that, since February, the government was going to do it, we did not try to hide it like the Hon. Member for Lac Saint-Jean, leader of the Bloc Québécois, who rolled back salaries in the Public Service in Quebec by 20 per cent without telling anyone. At least we said in February: "here is our fiscal policy, here is what we are going to do." This is what the Hon. Member did. He did many other things, but we will keep that for later.

When you are in a situation, Mr. Chairman, where you have to freeze salary at 0 per cent increase, it is no joke, but this is reality. At the same time, the Public Service Alliance of Canada is dragging its members into a strike which has been going on for three weeks now. Every single week of strike is about 2 per cent of the annual salary. These three weeks of strike mean that members of the Alliance will now have an increase of minus 6 per cent. The Public Service Alliance of Canada, madam Chairman, has just imposed a 6 per cent cut to all its members and they dare telling us that 0 per cent increase is awful.

Daryl Bean and Johane Hurens are playing the New Democratic Party's game, Madam Chairman. They are allies, they are siamese twins. They are trying to make the government fall, to weaken the government, but I think that on this side of the House, as well as among most Canadians, it is understood that this an unacceptable political game.

I would also like to say that today's situation is the result of the irresponsibility of some union leaders who have broken law and order.

[*English*]

Yes, Madam Speaker, an appeal and a disrespect for law and order that is being displayed at numerous locations in the country today and yesterday. Let us take an example. At the Ste-Anne-de-Bellevue Hospital in Quebec, a hospital for elderly Canadian veterans, an injunction had to be obtained yesterday to limit picketers and to attempt to have these PSAC members obey the law.

This morning this court injunction was ignored. Picketers threw eggs and tomatoes at designated, essential employees, including nurses who have a legal obligation to report for work. They delayed these people from reporting for work which could have threatened the lives of many hospital patients.

All through the Atlantic provinces and Quebec this morning, picket lines were not only violating the Criminal Code of Canada by blocking access to many federal facilities, but they were directly violating an order issued last week by the Public Service Staff Relations Board not to delay designated, essential employees from reporting to work.

This union was directed to answer the cease and desist order by the board today in St. John's, Newfoundland, Saint John, New Brunswick, Dartmouth, Halifax, Gander, Montreal and Ottawa.

Picket lines today are flagrantly violating the order of the Public Service Staff Relations Board and are delaying or preventing essential services from being performed.

At the Sydney, Nova Scotia, airport this morning some 200 picketers from many federal offices in Sydney blocked the airport, preventing essential services personnel from reporting. They agreed on that. Only three out of 37 employees were able to get into work, thus requiring the closure of the airport from 5.30 a.m. to 9.45 a.m.

[*Translation*]

At Dorval this morning, strikers destroyed facilities and did some damage in a number of buildings. Strikers also threw nails on the access roads to Dorval. This is an interesting point, Madam Chairman.

[*English*]

In Ottawa here today at the taxation office on Cumberland Street, 300 picketers blocked access to the building by lying down in the street, requiring the presence of the Ottawa anti-riot squad.

At federal prisons in Drummondville, Cowansville and Ste-Anne des Plaines, designated correctional officers were being delayed or prevented from relieving their colleagues on the overnight shift.

[*Translation*]

Madam Chairman, I could go on forever about incidents that jeopardize public safety, the safety of veterans in hospitals like Sainte-Anne-de-Bellevue in Quebec, and the safety of meat inspection—what could be more important than ensuring the safety of the food Canadians eat? Today we had a situation that reminds me of the wild cat strike we had in Quebec in 1972. The President of the Treasury Board said—and I am reaching the end of my speech—that he negotiated with Daryl Bean for 90 days. Well, Madam Chairman, I can tell you that people in Shawinigan and Grand-Mère, in my riding, think 90 days with Daryl Bean is a long time.

The President of the Treasury Board was extremely patient to listen to all these complaints, especially since in February, and I think Canadians should remember this, when the federal Budget was brought down, Daryl Bean and Johane Hurens said in the lobby of the House that they were going to call a general strike. They promised Canadians they would. They would paralyse the country and get rid of this government.

I can see why members of the New Democratic Party would get involved in this kind of strategy, because strikes and demonstrations make them feel good. However, I have trouble understanding Liberal members who have been in power and know what it means to be responsible, Madam Chairman. I realize they are trying to protect their power base in ridings in the Ottawa area, where members were elected by public servants, but they should have the guts to explain to their constituents, to those public servants, that because of the present financial situation in this country, we cannot give more. The same applies to the other provinces and a whole series of enterprises in the private and public sector.

Madam Chairman, in concluding I would like to say that Parliament should conclude this debate as soon as possible and if it does, I hope we will be ready to vote on this bill immediately, because Canadians must realize that the Parliament of Canada is ready to act in a emergency. I know that according to what was negotiated with the opposition, the debate will be extended until 10 p.m this evening and tomorrow evening, but Canadians, Madam Chairman, would have preferred a different approach.

In concluding, I wish to congratulate the President of the Treasury Board for his courage and I want to ask all Canadians to try and bring their influence to bear on Liberal and NDP members, to make them change their destructive attitude towards the Canadian government.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Chairman, I would like, first, to congratulate the member for Shawinigan who just spoke. Of course, I might not be in agreement with everything he said, but I do not doubt his sincerity and I listened closely to what he had to say. No one is for this strike, Madam Chairman. I would even go so far as to say that the strikers themselves did not want to strike. No one wishes for a strike. And no one will make me believe that those of my constituents who earn $24,000, $23,000 or $22,000 a year are happy today to be picketing to defend their rights. Nobody will make me believe that they do not have anything better to do or that they can afford the luxury of these activities. That is not the point, because I am sure that they cannot afford it and that they have other things to do than to stay outside in the cold and the bad weather, as they are doing today.

• (1640)

[*English*]

I also want to say that I do not support at all any kind of violence on the picket line or elsewhere. I do not agree with those who blocked the entrance to the air base here in Uplands a few days ago, and school children had a hard time getting home from school. Nor do I agree with the other violent incidences that the member from Shawinigan has described. I think that they are

bloody awful and the people who perpetrated them are wrong. I want to say that unequivocally.

Some bosses within the Public Service have told their employees: "You come into work despite the fact that you are on strike or I will get you later if you do not". That is wrong. It is wrong as well for Mr. Daryl Bean to say publicly, as he was quoted in *The Ottawa Citizen* a few weeks ago, that scabs get what they deserve, or something like that, even though some of those so-called scabs were really designated workers and, in any case, most of them were members of that union. That, too, is wrong.

There is no monopoly on stupidity. The government has negotiated in bad faith in my opinion, and there have also been other actions which are wrong. Two wrongs make just that; two wrongs and not one right.

[*Translation*]

When the President of the Treasury Board appointed a mediator, a few days ago, and when the civil servants accepted to return to the bargaining table, Mr. Capello and the others should not have had their hands tied by the government saying to them: "You can negotiate whatever you want, but we will never depart form the 0 per cent rule.' ' What kind of negotiations is that, Mr. Chairman?

[*English*]

The government keeps saying and keeps pretending, telling Canadians who are unemployed and others: "Well, wouldn't you like to have the job of so and so who is employed and who is on strike." Everyone who is unemployed wishes they had the job of someone who is working, but what a strategy, to divide Canadians and to tell them: "Wouldn't you like to have the job of someone else."

Since when do we promote that kind of envy between our citizens, pretending it is the right thing to do?

Some say that federal public servants make all kinds of money, that they are just making oodles of money doing their job. There is a story in *The Ottawa Citizen* and I have a copy of it here. It is a comparison of various jobs in the public and the private sector. Here is what *The Ottawa Citizen* came up with. It has, for instance, a clerk 3 in the federal Public Service making $25,839 a year; a clerk 3 in the private sector making $24,930 a year. This is not a very big difference. Let us look at other positions. A senior program analyst, for instance, one of those computer experts, in the Public Service, $42,500 a year; in the private sector, $45,400 a year. Let us look at a receptionist in the Public Service, average salary $20,500; in the private sector, $22,500. In other words, the private sector pays $2,000 more a year.

The point is not to compare people who are working with those who are unemployed. Those who are unemployed are not working, that is obvious. Even the minister should understand that. The point is not to mislead Canadians into believing that people who work for the public and for the people of Canada are overpaid because it is not true.

Every morning when I come to work, I arrive on Parliament Hill at 7 a.m.. I drive on Catherine Street here on Ottawa. I see people in front of the immigration office standing in the rain at six-thirty and seven o'clock in the morning waiting for the office to open at eight o'clock so that they will be able to be served that day.

There is such a line-up of people wanting service from the Government of Canada and such a shortage of work force to do the work that Canadian citizens have to stand out in the rain for half a day to be served by their government.

[*Translation*]

Would you say that such a situation is acceptable, Madam Chairman? I am not talking about Canadians abroad, who are waiting at the Canadian embassy, or elsewhere, although that situation does exist too. I am talking about what is going on here, in the City of Ottawa, a few blocks away from Parliament. And that, Madam Chairman, is a poor service that is being provided to Canadians.

The government can brag, as much as it wants, about cuts it made in the Public Service, but it cannot call it a satisfactory service, it should not say that Canadians are well served anymore. When my constituents phoned me, out of frustration, because they cannot get through the office of the Canada Pension Plan here in Ottawa, even though they let the phone ring for 20 minutes, or half an hour, and nobody answer, and when in despair, they called their members of Parliament to try to contact that office, we cannot say that it is a good service that is being provided to Canadians, Madam Chairman! Call it cuts and call it fast savings for the government, but for the constituent, who has been waiting half a day in line at the door, or half an hour, or one hour, on the phone for nothing, how much is worth the time he has wasted? How much is worth the time of those people who are

waiting for services to which they are entitled to as Canadian citizens?

The minister does not have to wait on the phone, and neither do I. Members of this House do not have to wait on the phone because they have special lines to help their constituents, and rightly so, because nothing could be done for them otherwise. I suggest, Madam Chairman, that the government should know that it is not providing a good government service to the Canadian population.

[*English*]

Now the government says that civil servants have a guaranteed job for a lifetime, or something of the sort. We have before us in this House the constitutional proposals of the government that were tabled. In those constitutional proposals certain powers are to be devolved, are to be sent to the provinces.

I have an article from *La Presse* September 19 in which a Quebec minister, André Bourbeau, states quite clearly that for those services that will be transferred under that proposal to the province, he does not need to hire any civil servant, he will do that with the personnel that he has already. What is going to happen to the people working in those sectors?

Mr. Harb: They'll lose their jobs.

Mr. Boudria: Exactly, that is the point my colleague for Ottawa Centre says quite astutely. Those people will lose their jobs. That is a statement from the Quebec minister.

[*Translation*]

Madam Chairman, The President of the Treasury Board has a lot of work to do if he wants Canadians to believe him when he says that we must tighten our belt.

Speaking of work and of belt tightening, I have here my own records on government expenditures, Madam Chairman. With your permission, I will tell you about those expenditures.

[*English*]

I have an article here which is entitled, "Computer fiasco costs $140 million to the taxpayers".

[*Translation*]

I have here the list of limousines that were bought for the minister since 1988.

Some hon. members: Oh, oh!

Mr. Boudria: Yes, the limousines bought since 1988! Would you like me to read that list, Madam Chaiman? If you insist, I shall read it to you.

[*English*]

Let us start with the limousines. I have a whole list of limousines here that were purchased since 1988.

Some hon. members: Oh, oh.

Mr. Boudria: I know the members are a little touchy across the way when I raise that subject: $762,568 of limousines since the election of November 21, 1988.

My colleague has asked me to repeat it: $762,568. Would you believe that one minister has had three limousines since November 21, 1988?

An hon. member: Who's that?

Mr. Boudria: Yes, one minister has had three limousines since November 21, 1988.

An hon. member: Which one?

Mr. Boudria: All right, my colleague says: "Which one". Because of popular demand I will have to say it. The President of the Treasury Board.

Some hon. members: Oh, oh.

Mr. Boudria: The minister who is telling us today that they must tighten their belts has changed cars three times in two and a half years. I have got it right here: 1988 Pontiac, 1989 Ford LTD, 1991 Ford LTD Crown Victoria, all of that since the election of November 21, 1988.

An hon. member: Are you serious?

• (1650)

Mr. Boudria: I am very serious. You know why I am serious about it? The information was given to me by the

hon. government House leader from *Hansard* of June 19. I believe the government House leader. I really do. He would never lead us astray. Harvey is always right.

Let us continue—

[*Translation*]

Mr. Loiselle: Madam Chairman, all that might sounds very interesting, but if I had been President of the Treasury Board any longer—what, besides, would have not displeased me—I might have had three limousines, but I still have the same one. Maybe it has been purchased by my predecessors, but I have the same car as before being appointed to the Treasury Board.

[*English*]

Mr. Boudria: I invite the minister to pick up *Hansard* of June 19, 1991, signed by his colleague the government House leader.

The member who is now President of the Treasury Board is listed with what I have just read and I always believe Harvey because Harvey will never lead me astray.

I want to get into the goods and services tax. Do you remember the goods and services tax, the dreaded GST? When the government started the goods and services tax it hired 4,200 people to administer it. Now, this is a government that wants to tighten its belt. Furthermore, it had to buy all these computers and to go with the computers it had to buy the hardware and then the software. I have a computer expert right beside me here.

I invite him to listen to this: The total amount of contracts awarded from January 1, 1991, to June 30, 1991, for software on the GST, and this again is in response to an Order Paper question by the government House leader so it has to be 100 per cent accurate, is $9,343,771.00

An hon. member: Amazing.

An hon. member: Terrible.

Mr. Boudria: My colleagues are shocked. I do not blame them.

Let me give the House another one. This one here has upset a number of Canadians. The government spent $350,000 to build a doghouse in Rigaud.

An hon. member: A doghouse?

Mr. Boudria: A doghouse for customs and excise, for 12 dogs. You know why? Because the old doghouse was on the tennis courts and they had to remove it from there so that whoever could play tennis. To replace it the government spent $350,000. Again, that was provided to me through a request to Access to Information and it cost me $462 to find that information through Access to Information. I know it is accurate because the information came to me from the Minister of Public Works Canada and he always tells the truth.

[*Translation*]

The Chairman: I would like to draw the attention of the honourable member for Glengarry—Prescott—Russell on the fact that I know that he always has many documents before him and that the Rule of the House is certainly among those documents. I think that he might find it to his advantage to read particuliarily subsection 2 of section 101, on page 69. Once he will have read it, I will continue to listen to him very attentively.

Again, the honourable member for Glengarry—Prescott—Russell.

Mr. Boudria: Madam Chairman, I might be wrong, but I believed, this morning, that there had been unanimous agreement in the House, shortly before 2 o'clock, to allow us to make comments on any part of this bill and not only on the text of the amendment that we were debating, in order to be able to offer all amendments simultaneously at 9 o'clock.

I believe that there was mutual consent to this effect and that any member could discuss any part of the bill, in the mean time. I invite the Chairman to comment, if I am wrong.

The Chairman: What was agreed is this, I believe: You can debate the various sections of the bill.

If you want to use section 2, definitions and interpretation, you can speak on any section of the bill. But, if I return to section 101 where it is said that speeches in Committees of the House must be strictly relevant to the item or clause under consideration, I would like nevertheless that we stick to the bill before us. I simply wanted to draw the attention of the member on that with no intent of implementing this rule with extreme severity.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Chairman, I am sure that you did understand that I was speaking of line 44, on page 2 of the bill, which deals with wage rate. It is obvious that the wage rate is affected by the fact that the government has no money, or at least it says that it has no money since it has wasted it on some other things, Madam Chairman. That is why I raised that point with the President of the Treasury Board, and that I told him that if he would make a better use of the taxpayers' money, he would have some left for line 45, on page 2 of the bill, whose purpose is, of course, to adjust the wage rate of the civil servants.

I want to make sure that the minister knows that we need the necessary funds in order to do that, obviously.

[*English*]

In closing, I just want to remind the minister of the editorial in today's Ottawa *Citizen* which is entitled "Bad Mistake on Both Sides". I will agree that there were bad and serious blunders on both sides.

I want to remind the minister that the public interest is his job. It is the job of this government and the job of this House to discharge what is in the best interests of the public.

Even if both sides were evenly wrong, which I do not think they are, on this count, I want to remind the minister that it is his job to administer the Government of Canada in the best interests of the taxpayers of our country. The negotiator who was appointed the other day had his hands tied behind his back and could really offer nothing in terms of wage compensation, save $500 to some of the lower salaried employees. I say that the government acted in such a way that this process was doomed to failure.

I just want to conclude by asking one question of the minister in terms of how this thing is going to work: I notice that a person making $26,999 a year will now be making $500 more, $27,499. That person's senior or supervisor, or lead hand or whatever they are called in that particular department where they happen to be working, might be making $27,300 and now you will have the more junior employee making more than the senior one. I have some difficulty in understanding how that is possibly going to work. I say to the minister that he should at least have provided some sort of a top up to people over $27,000 a year, even if, heaven forbid, it would be on a sliding scale, but not to arrange it in such a way that someone who makes more money will make less money than someone who makes less money. I have a hard time understanding how that could possibly ever work.

[*Translation*]

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Chairman, in answer to the last question of the hon. member, I will tell him that we did exactly what he is suggesting, that is the necessary gradation to avoid any overlapping. In any case, we must not forget also that it is a lump sum. We have made that gradation so that people would not make "a step ahead" which would have messed up the pay scales paid needlessly.

That being said, the hon. member is making fun of expenditures made by the government on some items such as the GST, which are quite legitimate and quite necessary expenditures. He went on and talked about kennels, and I hope the hon. member is not against the fact that the government is fighting drugs, that he would not want that those services be deprived of the necessary tools to do that job. That is what we are doing, and I am not making any apology for it, far from it. Those are legitimate expenditures.

As for the illegitimate expenditures, I would say that it is rather the case with the union which is responsible for some big losses incurred following this useless strike which will ultimately, cause a very serious prejudice, to such an extent that it will take quite a while for those employees, for whom everybody seems to be so much preoccupied, to catch up for what they have just lost.

• (1700)

So, for the last time, I would ask people to get back to their sense.

As far as responsibilities are concerned, the hon. member suggested that we have—

[*English*]

We have a job, as president of Treasury Board, as government, to discharge our responsibilities and protect the higher interests of the country.

I would repeat again what I said earlier today: that is precisely what we did at budget time. We could have gone the Liberal way: borrow money, find money outside, spend it when we do not have it.

We ask our employees not to accept what is called a reasonable offer, but to accept what is a reasonable solution to a difficult environment. They have to consider the facts. When we talk about comparisons, we do not ask them to rejoice in the fact that they have a job, and in some cases, not so well paid as the hon. member has rightly said, but at least they have one.

During the pre-budget consultations, if there was one message that came across very clearly on all sides, it was that the government is spending too much. As a matter of fact, we will have a $30 billion deficit this year, so we needed to send out a very clear message of our determination to act. As I have said earlier, we have taken many different measures, of which one deals with salaries.

We are not asking the members of the Public Service to pay for all of this deficit, but to bring their contribution, as everybody else is doing.

[*Translation*]

He said that we tied the hands of our bargaining agent and would never budge from 0-3. I believe the government's position was clearly established in the Budget speech, which announced the government would propose a plan that would substantially reduce inflation and that one of the key measures sending this message was a decision to freeze wages this year, with subsequent increases of 3 per cent during the next two years. That is what we have done, and we did it to send a message to industry and other governments to be very prudent and avoid spoiling our chances for the economic recovery now taking place after a very severe recession. We were right, because in the weeks following the Budget, one province after another adopted our approach, with the difference that most provinces decided to legislate zero per cent. In some cases, they legislated zero per cent for two years.

We said we had some flexibility. Not much, but we would try to progress within those limits, and instead of legislating, we would negotiate. And then we heard the abrasive annoucements by the president of PSAC, who said that he was starting a great political debate. During days, weeks and months of negotiations, we tried to get back to more serious matters, but to no avail. On Thursday, at 7 p.m, we put a number of new proposals on the table. We indicated new options for flexibility but our offers weren't even considered. The answer was that a strike was called.

The hon. member said we should avoid giving the impression that Public Service employees make too much money. I agree. Far be it from me to claim that Public Service wage scales are entirely out of line with the private sector, but perhaps he would like to think about what Daryl Bean said. When someone has to go to the private sector, they ask for almost a year extra. Is it because people are better off here than in the private sector? In any case, it is always the same Canadians who are strick with those problems and who have to pay taxes.

So we had to send a very serious message that we were determined to deal with the problem, and that is what we have done, Madam Chairman.

The Chairman: Are there any more speakers on clause 2?

[*English*]

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): I would like to say at the outset that the government's offer of zero, three and three is fair when you consider all factors. The offer was made in the hon. Michael Wilson's budget in February of this year.

But the Daryl Beans, the Bob Whites, the Shirley Carrs of Canada have shown terrible judgement by rejecting the government's offer and forcing a strike. The taxpayers of Canada are furious at the union's decision.

This is a time for union leaders to take off their blinders and make decisions which are good for the country. This is a time when governments, management and labour must share some common goals about the economic future of this country. This is not a time for strident, militant threats by labour.

It is a time for union leaders to understand the realities of the real world. No one likes to propose a zero increase in salaries. As the largest employer in Canada, however, we must show leadership.

The total salary cost of the government is approximately $10 billion. The fringe benefits amount to 28 per cent, or $2.8 billion. The total salary and benefits, therefore, is $12.8 billion and there are approximately

400,000 employees in total, including 196,000 civil servants.

Canadians are just emerging from a tough and difficult recession. Unemployment is high. The people of Canada are fed up with high taxes. They blame all three levels of government. They expect us to show more restraint and leadership in the handling of their tax dollars.

Yet, when the government takes steps to make true our commitment of restraint and fiscal responsibility, we are met with strong protests by the unions.

The government's recent proposal applies to all 400,000 employees. It includes all Armed Forces, RCMP, judges, et cetera. It includes the Prime Minister, cabinet ministers and all MPs. There is a formula for MP's raises each year. It works out to approximately 1 per cent less than inflation. The increase this year, effective January 1, 1991, was 3.78 per cent.

When this legislation passes, it will mean that MP's salaries will be frozen for all of 1992 and be increased by 3 per cent in 1993. I personally welcome this legislation. Obviously, Daryl Bean and his executive do not.

Marjorie Nichols' recent comments in *The Ottawa Citizen* were very interesting and I quote:

> A private sector union boss who proposed leading his troops into the streets to protest low salary increases at auto parts plants in Ontario would be sent away for a long rest. Yet, that is precisely what the PSAC President, Daryl Bean has done and the opposition parties are applauding.

Ms. Nichols goes on to say:

> It is simply not good enough for the Grits and the New Democrats to keep hurling the accusation that the government has destroyed free collective bargaining in the public service. Obviously, the bargaining process has been short circuited by the government's restraint program, which limits public service salaries to 0-3-3 per cent over the next three years. A recession has precisely the same impact on bargaining in the private sector.

I could not say it any better than Ms. Nichols. Listen to this point.

> The government has a moral duty to all of its shareholders, the citizens of Canada, to set an example and hold the line against reinflation that would boost interest rates and stamp out the recovery.

And in her closing lines she says:

> Anyone who believes that this strike is about money, must also believe in the tooth fairy. This is a political strike by a politicized union, supported by political parties with political agendas of their own.

This strike is not about money. It is about people playing politics with the salaries and job securities of workers, many of whom cannot afford to be on strike.

Several provincial governments have shown leadership in these difficult times by freezing the salaries of their civil servants.

Quebec, New Brunswick, Nova Scotia, Newfoundland and Manitoba have all passed legislation in recent months to freeze salaries, that is, zero increases.

There have been some notable exceptions. The NDP government in Ontario is busily introducing double digit increases across the board. It has shown callous disregard for the taxpayers of Ontario and for the health of the Ontario economy.

• (1710)

I personally believe that the right to strike should be taken away from all public servants. I believe that all the jobs of public servants should be designated as essential services. We should not allow this chaos every few years. Strikes are too costly.

Some people, particularly small business owners, never survive. In the metro area we were burdened with a crippling TTC strike, on top of the PSAC and the Canada Post strikes.

Fortunately Canada Post workers have agreed for the time being at least to go back to work while the mediator meets with labour and management.

Once these strikes are settled, I believe we need to pause and rethink the process. There must be a better way. The economic harm inflicted by such strikes must end. The labour movement should reassess some of its outdated policies and practices. It would be very interesting to have legislation requiring a mandatory release of the public union, their executives' salaries and recent salary increases.

It would also be worth considering the merits of having all union votes, not just some, conducted by secret ballot. I believe a great deal of pressure and intimidation of fellow union members goes on now.

Government must also rethink the right to strike of Canada Post workers. I have already recommended that the right to strike be stripped away from Canada Post. It is an essential service. Strikes cause too much grief and

havoc among seniors, veterans, charitable organizations and small businesses.

An alternative to my proposal to ban strikes at Canada Post would be to end the monopoly Canada Post now enjoys. In other words, let the private sector into the game.

The most recent comprehensive study of the problems faced by Canada Post was conducted by Alan Marchment. In his report, he recommended the privatization of the corporation if Canada Post failed to achieve its objectives of service and financial self-sufficiency in 1990.

In closing, I want to say it is disappointing that it will likely take another week to pass this legislation. I am discouraged but not surprised that the Leader of the Opposition and his Liberals and the Leader of the NDP and her New Democrats could not resist the temptation to make this debate into a political charade.

They obviously do not care about the harm being done to the average Canadians who are losing their jobs. They do not care about the economic hardships being created right across Canada. The Canadian people will not be fooled by their shallow political rhetoric.

The Leader of the Opposition will probably order his Liberal senators to stall and delay Bill C-29 as long as possible, inflicting further economic hardship on Canadians.

I have had many telephone calls and letters about the strike by PSAC. Almost all the calls and letters are supportive of the government's back to work legislation. They are against the Public Service trying to hijack the government and they are very angry and frustrated by the harm being done to them.

Let me share with you comments I had from two business people from my riding of Markham—Whitchurch—Stouffville. I recently spoke with Maureen Hyman who owns a business in my riding. She has struggled throughout the recession to keep her family business alive. Miss Hyman is growing very frustrated with the strikes that are plaguing Canada.

She says that this country is in total chaos. She says that the notion of job security especially during difficult economic times is ludicrous. Nobody should have job security. Where is their job security in the private sector? Nobody should be given a job for life. That is total nonsense. Miss Hyman does not believe that workers should be given the opportunity to strike and disrupt the lives of Canadians.

I also heard from Joseph Wileman who lives and works in my riding. He called me to express his disapproval with the position taken by PSAC to strike. Mr. Wileman who was a public servant years ago insists that the Public Service should not be unionized.

They may not get a pay raise right now, but their job security more than makes up for that. He went on to say that they have a job, and they should be quite satisfied.

People in the private sector take a pay cut when a recession hits. Just this morning, Grant Heichert telephoned from Stouffville. He was upset with the union. He said: "If the union refuses to comply with the legislation, the union should be banned and broken up. If the workers refuse to go back, fire them".

In summary, Canadians all across the land are angry about this strike.

Here we are, just starting to recover from a severe recession; thousands of Canadians have lost their jobs, many Canadians who have jobs are worried about the security of their current jobs. They do not understand how Canada's civil servants can be so unrealistic in their pay demands.

Canadians are fed up with taxes. They blame all three levels of government, as I said a while ago. They feel angry and frustrated. They at least want their taxes which are collected to be used carefully and frugally. They certainly do not want civil servants to get salary raises at this time.

Canadians believe most civil servants are relatively well off, when you weigh such factors as job security, generous benefits and comparatively high salaries and fully indexed pensions.

This strike is creating severe economic harm. Grain farmers face the possibility of drastic cuts in cash flow because of the lack of shipping facilities; many manufacturers use the just-in-time inventory method, accord-

ingly they have been paralysed; men and women have been forced out of work; sales have been lost.

I urge the general membership of PSAC to reconsider the unwise and insensitive leadership it is being given by its leaders. The government's offer is fair. It should have been accepted months ago. Now, because of the bad advice by Daryl Bean, we must pass this back to work legislation this week to prevent further economic damage.

The Chairman We are still debating on clause number 2. The hon. member for Ottawa Centre.

Mr. Mac Harb (Ottawa Centre): Madam Chairman, we are talking about the back to work legislation and about the bargaining between the federal government and the Public Service Alliance Union. In my view, if the minister is really interested in seeing an end to this crisis he could quite easily appoint a mediator right now and everybody would come out as a winner. The public servants will come out as winners and also the government will probably save face with the public servants as well as their families across the country, and as well with the general public.

The government is saying it did not act in bad faith and the union as well as the Public Service said yes, it was acting in bad faith. Here we go: A decision which was made by the Public Service Staff Relations Board states the following, and I will read it for the record:

> Insistence on conditions precedent to negotiating terms and conditions of employment at the bargaining table is incompatible with the requirement to make every reasonable effort to negotiate a collective agreement. Accordingly, the Board declares that the employer has acted contrary to section 51 of the Act and orders the employer to comply with section 51 of the Act.

I cannot see anything that could be clearer than this statement. If anything, the government should have blushed, gone back to the negotiating table, discussed with the employees, and if it could not come to a conclusion then it should have gone to arbitration.

We heard quite a bit from the hon. members across the way on the government side about the fact that government employees are overpaid. Just for the record, survey after survey clearly states that the public servants, when it comes to their annual increase, are not in parity with the private sector increases.

For instance, in the private sector in 1989 the employees received on an average of 5.3 per cent, while the federal administration paid its employees 4.2 per cent. In 1990, the public sector on the average paid its employees 5.9 per cent, while the public servant received an average of 5.3 per cent. In 1991, the first quarter, the private sector paid on an average of 5.5 per cent, while the public servant received on the average of 5.4 per cent.

That is to say that all of those increases were somewhat lower than the inflation rate.

What is happening now? Why are the public servants complaining and why are they on strike? At issue are many of the points that the President of the Treasury Board was talking about, such as job security.

• (1720)

For instance, since 1984 until now there is in excess of 13,000 employees who have lost their jobs. The government continues to move in the direction of downsizing the Public Service. Many of those public servants are worried about the possibility of losing their jobs, like anyone else in any sector.

Pay equity is another concern. Despite the fact that a giant management–union committee came up with the results of a study that said that we have to get on with pay equity legislation, we have yet to see some sort of compliance with that.

There is another issue which has been raised by the public servants and that is the national rate of pay. It is surprising that most of the public servants are not paid for what they do, but for where they live. Some members still receive regional rates of pay. An electrician in Newfoundland, for example, is receiving approximately $4 less than an electrician who is doing the same job in British Columbia, which is highly unfair.

There is wage disparity. The pay for people who work in the federal government is lower than those who work in the private sector. As my colleague indicated a little earlier, a comparison between the public sector and the private sector clearly states that there is disparity. The reason for that disparity is because of the fact that the federal government's way of dealing with public servants has been underhanded.

On average a public servant receives approximately $11.73 per hour. When we look at the private sector, a labourer in the private sector—and I heard one of my

friends saying something unparliamentary perhaps, but we will deal with that later— earns approximately $14.56 per hour, up to $15.35.

If we are to compare specifics in both the public sector and the private sector, let us take for examples, secretaries, receptionists and telephone clerks. On average these people earn approximately $20,500 a year. While in the private sector on average people who do the same kind of work earn approximately $23,500. There is about $3,000 difference between what the public servant earns and what the private sector is paying.

We move on to the other side of things, professionals for instance in the Public Service. Take for example the computer programmers. On average a computer programmer in the public sector earns $42,500 a year, while his colleague in the private sector earns $46,400 a year. There is approximately $4,000 difference between what the private sector pays and what the public sector pays.

There are approximately 55,000 secretarial and clerical workers who deserve a 6 per cent pay increase and who are making almost $26,400. Most of those people, I might add, are women.

The government is saying: "My way or no way". It has offered the $500 one time lump sum to the public servants. I might add this $500 would be offered for one year and next year they will go back to their previous salary. They have been on strike now for about seven days. I would suggest that the government has already made $500 through savings because of the fact that the public servants are on strike. The government can solve the problem, but obviously it does not have any intention to do so.

Contracting out is one of the concerns that the public servants have. It is interesting to note that in 1990 the government itself admitted to the House of Commons Public Accounts Committee that it did not know whether contracting out was cost effective.

My suggestion to the government is that when it is spending in excess of $5 billion of taxpayers' money it had better know whether it is cost effective. It had better know whether it is saving taxpayer's money.

This whole question of government action and inaction on this issue is cause for alarm in my constituency of Ottawa Centre where many of these people live and work. It is interesting to know that a poll concluded that four out of five Canadians believe they will be personally affected by cuts in government services. In many federal departments there is a need for more public servants, not less. All you have to do is go to 200 Catherine Street in my riding at 5.30 or 6 o'clock in the morning and you will be surprised to learn that there is in excess of 20 to 30 people lining up to get services from Employment and Immigration.

I would challenge my colleagues to dispute the fact that in the Department of Employment and Immigration there is need for more public servants, not less. Simply put, it is because there is an overload on the system and this is known by many of my colleagues.

A majority of 52 per cent of the Canadian public says that a reduction in the availability of federal government services due to budget cuts will have a negative affect on the future of Canada. It will because the Public Service of Canada is the most basic, fundamental infrastructure to any growth and unless you have that infrastructure in shape and in order there is no hope for anything else to function. These are the people who are making, introducing and implementing the law at the federal level.

A strong majority, which is approximately 71 per cent of the Canadian public, believes it is paying more in taxes and receiving less in services. That is certainly not because public servants are not doing their best.

Two out of three Canadians feel public employees are hard working and do an honest day of work. That is contrary to what one of my colleagues was stating a little earlier, that many public servants are fat cats. I have not seen a single fat cat public servant. If any one of my colleagues knows of a single fat cat public servant, maybe he should contact my office and let me know, or maybe he should contact the President of the Treasury Board.

We have one of the finest Public Services in the world and certainly the way we are dealing with it is not the best way.

The government should go back to the negotiating table. The Public Service wants to see the government going back to the negotiating table.

I want to ask the President of the Treasury Board one question. I know he has repeatedly answered this question by side-stepping it, by saying that he does not want to hire an arbitrator. The media asks him questions. The

opposition asks him questions. The Public Service Alliance union has asked him the question.

I would suggest that the majority of the people would like to see the government answer this question: Why would he not proceed with the appointment of a mediator? If the mediator is to come up with a decision that the government is not happy with, it can do whatever it wants to do then. I might suggest that the reason why the government does not want to appoint a mediator is because it knows it is going to lose. It knows that based on the fact that we have been putting suggestions in this House and before Canadians the government is really not dealing with public servants the way it should be dealing with them.

Mr. Loiselle: Madam Chairman, I would like to take on some of the points that the hon. member for Ottawa Centre has raised.

I am a little bit flabbergasted by some of his statements. Being from Ottawa Centre, I would expect him to be more aware of the reality of the Public Service. He said that 13,000 employees have lost their jobs. This is not the case. We have removed positions but we have been very careful to find other jobs for the employees who are there. We have done it through attrition. It is very exceptional that members have to leave the Public Service against their will.

• (1730)

I would give him a number. We are one of the largest employers in Canada. We have 225,000 people working for us. From 1986 to now, I would think it is in the order of 1,500 persons who had to leave the Public Service against their will. If this is not the best job security ever, I do not think you can find it.

I think the hon. member should be very careful in making statements that we are not concerned about job security. We are.

The hon. member referred to the decision of the Public Service Staff Relations Board and he again stated that the commission had found us to have negotiated in bad faith. In all fairness, I would ask him to put the question to Mr. Ian Deans, chairman of the Public Service Staff Relations Board.

Section 51 covers two things: "bad faith" and "every reasonable effort." The union put the two questions to the board and the board decided that we had not made every reasonable effort, but did not say that we had acted in bad faith.

We have made additional efforts, because we had 35 different meetings last week negotiating with the union. We put forward offers to them that were not even considered. That is why I do not see the point of continuing this process.

He has given us numbers with respect to the private sector. Would the civil servants of Canada like to have the same treatment as was given to thousands and thousands of Canadians during the recession who lost their jobs, who had to re–open their collective agreements in order to maintain their companies' competitiveness and to try to weather the recession.

We have been very fair. Of course, zero per cent is not what they deserve, but it is what this country can afford at this particular time, and it is also showing a sign of concern about what is happening across the country.

When you say that in 1981 settlements in the private sector were at 5.5 per cent, for those who found the settlement, but in the first two months 146,000 Canadians would have loved to have a zero per cent offer.

He said we should need more public servants. Do we need to raise taxes, increase the deficit, borrow more money? Companies that are in opposition just fold up because they cannot afford to continue. We continue because we are a government. But we cannot overdo it. We have to be very careful not to go beyond a certain capacity. Otherwise, it is our very capacity to continue to maintain a good, strong public service that would be threatened.

Just remember that next year the interest only on our debt will be $41 billion. This is money that we do not have, that it is not possible to use for salaries, services to Canadians. We could increase it to $43 billion. For every dollar we get, 35 cents goes to servicing the debt. We can let it go to 50 cents or 53 cents, and what would happen then to the civil service?

So we need to balance this. We felt that at this time in the recession, when we made the budget, we had to look ahead and make sure that the government was sending out the right signals, and was making decisions that would help the economy pick up again, as it is doing now.

The hon. member says we should go back to the negotiating table. I would tell him that we have negotiated for 60 days. We have been in conciliation for 30 full days. We came back to the table after the strike for 35 meetings, and never did we get an offer from PSAC. In any case, they are the ones who left the table, not us.

[*Translation*]

The Chairman: There are only three minutes left. The hon. member for Ottawa Centre.

Mr. Mac Harb (Ottawa Centre): Thank you, Madam Chairman. I hope the President of the Treasury Board is not suggesting it is normal to try and reduce the deficit by bearing down on those in the public sector who earn less than $30,000.

[*English*]

I hope very much that the President of the Treasury Board is not trying to solve the deficit question by attacking the public servants' salaries. As he knows, the money that the government pays to the public servant does not account for more than 12 per cent. In fact, it is less than 12 per cent of the total expenditure.

He alluded to the fact that next year we are going to have a deficit of $40.5 million. I hope that figure is not accurate. We have been hearing that the deficit was going to be reduced this year.

An hon. member: It was reduced. Interest on the debt.

Mr. Harb: Interest on the debt, okay. I will take this one back.

In any event, the 13,000 jobs we are talking about were lost. Whether somebody has been laid off or fired is irrelevant. Those jobs that were there are no longer there, so the people who have been doing them could be on UI or on the welfare roll.

I would like to ask the minister how he can justify penalizing 55,000 people in the Public Service who are earning less than $30,000 a year? How could he have the heart to expect those people to bite the bullet? The inflation rate was in excess of 5 per cent over the past year or so. There is no guarantee the inflation rate is going to be close to zero per cent. He knows it.

He knows as well that everything should be in line with the cost of living. Why would he just force the public servant to bite the bullet while everybody else is getting off the hook?

Why do 55,000 workers, Madam Chairman, who make less than $30,000 have to pay the price?

The Chairman: Does the hon. member wish an answer? There is not very much time.

Mr. Loiselle: Madam Chairman, the principle that they do not seem to understand on that side of the House is that there is something called the "capacity to pay".

When we arrived in government in 1984, for every dollar that was coming in, the government was spending $1.33. You can be popular with the Public Service. You can be popular with Canadians by borrowing money and spending more than you collect in taxes. We have turned that around.

We are paying the debt, and we think that by putting our House in order, we are providing a future for our Public Service. If we were not to do it, we would not be really caring for them. It would be very quickly threatened as are all our programs.

I do not agree with them at all that you do not pay into account. In which world do we live? The capacity to pay is not taken into account. We need more civil servants: I agree with him. How do we pay them, by borrowing more money? Do we go the way of Argentina, down the drain? We do not want that. We keep a balance.

It was a tough recession, and instead of letting it go with rates of interest of 22 per cent, inflation rates of 10 per cent and 14 per cent, we have taken the other direction: tighten up and leave some room for the economy to prosper. Do not take all the room that is available.

That is why we have taken this measure. It is not at all to punish anyone. It is a small contribution we are asking, compared to what Canadians have to go through. It is difficult. I understand that, but I think it is reasonable.

[*Translation*]

The Chairman: The hon. member wants to speak to clause 2?

I just wanted to make sure that hon. members are aware of the motion introduced earlier today, which allows amendments to be tabled. If hon. members want to know what those amendments are about, it will be necessary perhaps, at one point, to suspend debate on clause 2 and move on to other clauses.

However, I do not mean to tell hon. members what to do. I just want to refresh their memory in order to make things easier for them a little later.

The hon. member for Laval East has the floor.

Mr. Gauthier: Point of order, Madam Chairman.

The Chairman: The hon. member for Ottawa—Vanier has the floor on a point of order.

Mr. Gauthier: Madam Chairman, you just raised two important points. I do not want to interfere in any way with the hon. member's right to speak, but there is a practice which is common for Committees of the Whole and that I think we should follow in order to allow all hon. members of this House who want to table amendments to do so before supper so that we can see them, understand them and make a decision on each of those amendments.

• (1740)

The other point is this. I noticed that each time a member has the floor, the president of the Treasury Board takes 20 minutes, sometimes 15 minutes, to launch into a debate. He has been using this tactic since this morning. I think this is out of order.

Some hon. members: Oh, oh!

Mr. Gauthier: Now listen. This is not in keeping with the usual practices of the committee of the whole. Standing Orders provide that each member has 20 minutes and the minister's answer must be included in this 20 minute period. What happened today, at least up to now, is that each time a member took the floor, the minister's answer was almost as long as the member's question. That way, fewer members will be able to participate. The minister will have to take into account the 20 minute constraint the way it used to be done.

The Chairman: I agree with the hon. member up to a point. The fact remains, I think, that when a member has the floor and wants to ask questions, he or she should keep in mind that there should be enough left for the minister to answer the question or questions. I can understand the hon. member for Ottawa—Vanier's point, but I think that, if a member speaks for 19 minutes and then asks 11 questions in a row, the minister cannot be expected to reply to all 11 questions in the minute that is left.

I think it is a matter of good will on the part of all members and I will remind the House again of the motion adopted earlier this afternoon to the effect that any amendment tabled with the Chair prior to 9:00 p.m. will be deemed proposed and be put without further debate at 10:00 p.m. Some hon. members may want to know about the contents of the amendments. So, all I had in mind when I suggested that we move on to other sections was to allow members who had made amendments to tell us about them in their speeches.

Resuming debate, on section 2 still. The hon. member for Laval-Est.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Madam Chairman, I appreciate all the advice we have been given here today. The hon. member for Ottawa—Vanier has a lot of experience and I have great respect for him, but today's debate was on things people want to talk about, like their riding and the workers they represent.

I must begin, Madam Chairman, by saying that public servants are not found only in Ottawa. I heard members from the other side who represent the Ottawa area speak today. That is well and good, but there can't be public servants only in Ottawa. There must be some in Laval, in Abitibi, in Rivière-du-Loup, in Montreal.

So I was rather amazed to see how much those people had to say. I represent Laval, which has many civil servants. I must tell you that there are five prisons in my riding. These five prisons have many public servants. They are also workers who I think do an excellent job and are very unhappy about getting no increase. The only thing I can tell those people listening to us and who will read what I say is that I too am getting no raise. We are in the same boat. So what many people said is untrue, and I see the hon. member get up with a smile on her lips. She was the first to—I listened to the radio today; they were all public servants who called in and were asked whether they agreed with the strike. Certainly, they sometimes gave themselves away when they talked. They said that the government was stepping on them. That proves right

away that they are people who work as public servants. They were asked to answer the survey.

The hon. member even mentioned in some of her questions that MPs had voted themselves generous increases and then froze salaries. How many times have we heard that? How many times, and people believe it because someone said so.

Well, I would like to tell people that MPs here have gone backward, not forward, since 1984: they had an average annual increase of 2.9 per cent compared to inflation of 4.3 per cent.

Those of us who have been here since 1984 and made the calculations, taking into account the cost of living and the increases received, have found that the loss in salary is $7,000. But that is alright, we are just members of Parliament. I know many people will be delighted to hear that. As I stated in an radio interview this afternoon: "The listerners will be happy to hear that members of Parliament, ministers and even the Prime Minister are affected by the wage freeze. Figure that, we are all in the same boat."

I heard horror stories today, Madam Chairman. People come to see us at our offices and tell us: "We want to work." Some people are on strike, and they have the right to be. But others are not and want to go to work but are being prevented.

An hon. member: Day in and day out.

Mr. Vincent Della Noce: Day in and day out, they are threatened. I was talking earlier, outside, to a fellow whose wife was threatened when she showed up for work. "Should she go in tomorrow? he asked me." My answer was: "Let her go to work tomorrow. I will escort her myself." Imagine, threatening people because they want to go to work!

The funny part of it Madam Chairman, is that people come to us and say: "I used to work for Air Canada, but I lost my job. I would certainly take a zero per cent increase."

Others worked for Canadian or other airlines and lost their jobs. They tell us: "I would sign a ten-year contract at zero per cent, just to have a job." That is when it dawned on me, Madam Chairman.

I have been in politics since 1984 and meet people at my office all the time, like everyone else.

An hon. member: Day in day out!

Mr. Della Noce: When they came to us. I ask them:"What can I do for you?" A common answer is: "I want a job, but I want to work for the federal, provincial or municipal government." Why? "Because I want job security." That is when it dawned on me that it is not so much a job that they want, but rather a position, a place where they are safe. That is what they are after, because they know that when you work for the government, there may be a zero per cent wage increase, but there is job security and many other marginal benefits.

So, people want two things: some want to go to work and others want a position. The concept of jobs seems to have disappeared. Yet, in my riding, people do want jobs and would be ready to accept increases below zero per cent to get one.

Remember what happened in Quebec. When I hear the Bloc on the other side say outside now, and the member for Hull, who is with the Bloc, whose leader cut Quebec public servants not 0, not 5, not 10, not 15, but 20 per cent. Today they are in bed together. They sit next to each other holding hands and embracing. Fine press conferences together. But do they really take the people for fools?

The member for Hull says anything, anywhere in any way, although public servants had their pay cut by 20 per cent.

An hon. member: He is not here.

Mr. Della Noce: He is not here? He will be back soon.

So, Madam Chairman, many people here today are talking in favour of the public servants, but I think it has much more to do with vote getting. Everyone wants to protect his own bailiwick, especially the members from Ottawa.

Today, I listened to an open-line radio show, just to find out. Of maybe 37 calls, 36 came from public servants, who were asked whether they agreed with the strike. They said, "Of course. The government is squeezing us. The Treasury Board President lied to us." However, if anyone behaved correctly, it was the Treasury Board President. The minister accepted everything. He put the bill on hold. He agreed with the NDP. He agreed with the Liberals. They agreed. There was a chance it might work. It did not. Now, what do we see on television—unfortunately, I saw it too—violence. I saw Daryl Bean say that there would be violence. He was the first to break down the door at the entrance here, even

though it is not his property. Daryl Bean used to be a mechanic. It hurts me to see people like that.

In my riding, for example, residents of Laval called us and still call us every day to say, "Send a message to the President of Treasury Board. Tell him not to give up and to maintain order." They have a good job. It is true that they deserve more; we also deserve more here. Everyone deserves more. But where will you get the money? There is no more money. The bag is empty. It is finished.

So what must we tell people? Be glad we saved 6,000 jobs. Air Canada employees in Laval would have liked to keep their jobs. They liked their jobs.

I see people who are glad that MPs' salaries were finally frozen. I told my son to take my MP card and to tell the director that I was a member of Parliament and that my salary had been frozen. But my son had to pay $1,500 nevertheless. I do not know if the director misunderstood him, or if he does not like members of Parliament, but my son, who is attending the University of Montreal, must pay $1,500 and not $500. It happened that my salary had been frozen too. That is most unpleasant. Such a freeze is not pleasant for the Public Service, and it is not pleasant for me neither.

• (1750)

That is not pleasant to see violence. I have organized strikes myself and I use it to put the baseball bats under the truck. There is always room for negotiation.

I would ask my colleague from Toronto, who has some lessons to teach me, to cool down. And I would suggest to him to go outside to calm down the civil servants instead of boosting them up because you are the one who are boosting them up instead of telling them the truth. Go and tell them to calm down. They have a good job and they should stick to it. It is not a job, it is a position. They have all the job security in the world!

They were negotiating and the President of the Treasury Board made a generous offer to them. Mr. Bean, whe should be called "Uncle Bean", had saved face. Mr. Bean came along and then left the table, all of sudden, and we would be the ones who are dishonest? The civil servants say that the government is dishonest. Who left the table first? Is it the government? No, it is them who quit first.

Let us talk about the poor hon. members! We hear nothing but falsities here. I see unkindness and falsities when I hear those Hon. members say here that we have voted —And they give, as an example, the $80,000 bonuses! But they did not mention that those people had seen their salaries cut by 15 per cent, so that we could be in a position to give them bonuses if they were doing a good job.

I have always been with the private sector and I suggest that a man who works hard deserves a bonus. I am not against bonuses. But even the bonuses were frozen, as the minister has explained once more this afternoon. He said that it was a zero freeze for everybody. There will be no bonuses!

I have seen some extraordinary things since this morning. I heard civil servants repeat again and again that it was the government's fault. The opposition did such a good job at that, and I include the Bloc Québécois, that if the Montreal stadium is falling part, it is Mulroney's fault there too. It is not him who sold the cement!I know who sold the cement to build the stadium, and it is not Brian Mulroney.

For some of my colleagues, it is always the fault of the poor guy who tries to fix up the mess you left us with. Somebody said, this afternoon, that we should have fixed that problem after 7 years of government. But the mess is so big that it will take more than 7 years to straighten things up, it will take another 20 years before we can pay up the debts we have inherited from you. Seven years is not long enough! The interest rates were so high— they had reached 13.5 per cent. You have not been in business much! Personally I have been in business for 25 years. Management is important.

I was talking about essential services. What is this nonsense about essential services? Who gives essential services? It is a joke. Let's go and see in the hospitals if they give you essential services. Let Mr. Bean go and see if his brother or his father were there! He would see what services are not provided to our senior citizens. Where are essential services for those who are in need? Nails have been thrown on the ground, people have been beaten, and pushed, essential services are provided— It is utter nonsense! There is no such thing as essential services. They tell people if you go back to work your

name will go up on the wall and next week we will give you a wallopping. I am looking forward to seeing these people. I cannot wait for the names to be out. Some people have the right to strike, others have the right to work, because their heart is still in their work.

Back home, we often heard people say: we were called— I do not know if they go to work, but send them back to work. The least we could do is send them back to the office! You know what people say: I am sorry you had to hit them with a law— You can take a horse to water but you cannot make it drink. But at least we are going to try. We are going to keep them from in front of the offices, because they are bothering those who still want to work, who still take their work to heart. I know some people in my riding office who give 110 per cent to their work. They come in at 5 a.m. to help our people. Those people want to work, let them be! If you do not want to work, step aside, stay on the grass, the weather is fine, Indian summer will be here soon. But these people say: Tell the minister to push, not to draw back, we are behind him. They say everyone is in favour of this strike, and that is not true. They will not shoot at each other. Come on! They have not reached such an extreme. But they shot themselves in the foot when they quit the bargaining table.

As the minister explained it so well this afternoon, they have settled for a freeze of zero per cent in Nova Scotia. That freeze has been ruled. In the Province of Quebec, a few years ago, the chief of the Bloc Québécois settled once for 20 per cent less than what we can offer. Wage settlement has been less than 2 per cent in Saskatchewan, it is zero in Manitoba; and it is zero per cent for six months and less than 3 per cent for 1992 in Quebec. It has been zero per cent in Newfoundland, zero per cent in New Brunswick, and a limitation has been imposed upon wage increases in British Columbia. That is to say that some people understood before we did that that policy was necessary. Everybody has abided by the agreement and everybody is treated equally. You think that the unemployment rate is only—

Earlier today, I was looking at some information with my colleague from Abitibi, who said that in his riding, the unemployment figure is 12 per cent; it is 13.1 per cent in Lac-Saint-Jean and 14.8 per cent in Gaspé and we are talking at ways to go through some difficult times as far as unemployment rates are concerned. There are eight areas; we find that one region, among others, has been hit for quite a while, and that is the important region of Montreal and Laval.

My colleague from Saint-Léonard is always making references to Montreal, but he never talks about Laval. He did not say that Laval sits just next to Montreal. There are always some windfalls, either economically positive or negative, but Montreal is often mentioned as the area. But when we talk about Montreal, as does my colleague, we must include Laval. It is true that we have gumption in Laval, and that we do not have the NPD style, that is to hate money and love the guy. We like everything, and if the guy has some money to invest at home, he is very much welcome. We have an extraordinary and enterprising mayor, and we are on the go!

There are some people in Montreal that do not see business that way! There has been some problems. My colleague from Saint-Léonard submitted to us a whole list of problems. He quoted every articles on that subject that has been published for the last six months. He did a good job at it since he told the truth, but he forgot conviently to mention the Merck Frosst Project. He did not mention that article, since it is positive news on a 300 job and $300 million project. He has also mentioned refineries. He said that four refineries closed their doors in Montreal. We are not responsible for the dismantling of those refineries. It is Marc Lalonde's policy, his Energy Program that did it. He closed 11 refineries in Canada, including the four plants located in Montreal. Things cannot go well with such a policy. It is obvious that they will be a little worst.

But in conclusion here today, Madam Chairman, allow me to quote the editorial in *La presse* of September 30 where Pierre Gravel says: "Considering the actual economic situation, aggravated by the constitutional tensions, Canada cannot afford a long paralysis of its public service or its disastrous effects on trade and commerce industries already in bad shape. So, the government must have the courage to go all the way and to pass as soon as possible a special law suspending the right to strike and establishing the working conditions in the public service." That is exactly what business people and industries at home told me: "The situation is bad enough already.

Leave us alone with your pressures and your strike! We can no longer stand this." And they are right.

When you know that the average civil servant, a member of the Public Service—one who has a position, not a job—is earning $33 500, while, back home, the average worker who has a job, not a position, no security, nothing, earns $27 000 and, watching the whole show on television, he does not appreciate it very much. He does not consider that as a joke, and he phones me, so that I will tell the minister to go ahead and sock it to them! We have nothing against these public servants; they do a great job. I say it and I will repeat it, again and again; they serve Canada well, better than ever before. But one thing must be clear: more money means more taxes. When you ask people to give more in taxes, do not ask members in Ottawa, do not ask civil servants, but ask the unemployed at the other end, who pay taxes. Ask them if they agree to give more. I can tell you that a lot of people must be saying: we are fed up with taxes, we pay too much, there have been too many tax hikes, that is enough! You must start cutting back. But where?

We must start putting our own house in order. So, if people can be more businesslike and less political, maybe this country will fare better. If we don't fight the deficit, we become violent, we have confrontation, that is all we do instead of solving problems like a businessman should do, that is, if you earn $1000 a month, you cannot spend $3500. The manager becomes an extraordinary friend, he comes knocking at our door to visit us. The first month, everything is fine, the second month, it is not as good and the third month, he takes everything away, leaving us nothing. That's life. Of course, the government cannot go bankrupt. But it was very clear to people like Pierre Gravel, a well known journalist in Montreal, who knows what he is talking about. Then, he does not always agree with the government.

An hon. member: Not often!

Mr. Della Noce: But there is one thing. He said: Let's get going, guys, it's urgent, because there are people who desperately need services, and there are people who want to travel. Today, someone was asking about air transportation. Transportation is taking a nose dive. It is not just in Montreal or Toronto, it is a global phenomenon. But now, we are making it lose still more ground; it will break down completely if things go on like they have, if we stop people from travelling, those who still have the courage or the money to do so. But think about those who are out of a job in the regions of Gaspé, Abitibi, Bellechasse—

An hon. member: Témiscamingue.

Mr. Della Noce: —Témiscamingue, everywhere, in Trois-Rivières, these people are wondering what civil servants have to complain about and why the NDP stands up for them. No wonder.

An hon. member: They are the ones who have organized that!

Mr. Della Noce: For violence, there are strike organisers. But there is no blood, and they are not happy, so there will be some, soon. Carry on, there will be some. But when there is, you will be the first ones to try to wipe it off.

Such things make no sense. That is what the people in my riding tell me. That is why no one voted for you there, and they probably never will, because the people want jobs, and they don't like it when you prevent them from working. It is not the government who prevents them from working. It is other people who want to protect not their job, but their union, their position. They prevent others from working to gain strength. I was listening to them on television, this afternoon—

The Chairman: I am sorry, but I must interrupt the hon. member. His time is up.

It being 6 o'clock, shall I rise, report progress, and request leave to consider the bill again later this day or at the next sitting of the House?

Some hon. members: Agreed.

Progress reported.

[*English*]

It being six o'clock p.m., pursuant to Standing Order 45(6) the House will now proceed to the taking of the deferred division on Bill C-32, an act to amend the Canada Assistance Plan.

* * *

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed from Friday, September 27, consideration of the motion of Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan,

be read the second time and referred to Legislative Committee F; and the motion of Mr. Vincent (p. 2536).

Madam Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Vincent), which was agreed to on the following division:

(Division No. 40)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Chartrand
Clifford
Corbeil
Couture
Danis
DeBlois
Della Noce
Dick
Domm
Duplessis
Fee
Ferland
Greene
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
James
Kempling
Landry
Larrivée
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McCreath
McDougall (St. Paul's)
Monteith
Nicholson
O'Kurley
Porter
Reid
Ricard
Robitaille
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vankoughnet
Vien
White
Wilson (Etobicoke Centre)—121

Andre
Attewell
Belsher
Bertrand
Blais
Bosley
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Cole
Côté
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Dorin
Epp
Feltham
Friesen
Guilbault
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Joncas
Koury
Langlois
Layton
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDermid
McLean
Moore
Oberle
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Van De Walle
Vézina
Weiner
Wilbee

NAYS

Members

Allmand
Arseneault
Axworthy (Winnipeg South Centre)
Bélair
Benjamin
Black
Blaikie
Brewin
Caccia
Chrétien
Dingwall
Ferguson
Fisher
Foster
Gagliano
Gray (Windsor West)
Harvey (Edmonton East)
Jordan
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Marchi
Martin (Lasalle—Émard)
Milliken
Mitchell
Nault
Nystrom
Pagtakhan
Rodriguez
Skelly (Comox—Alberni)
Stupich
Walker
Young (Acadie—Bathurst)

Angus
Axworthy (Saskatoon—Clark's Crossing)
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Butland
Catterall
Clancy
Duhamel
Finestone
Fontana
Gaffney
Gauthier
Harb
Hopkins
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
Lee
Manley
Marleau
McLaughlin
Mills
Murphy
Nunziata
Ouellet
Pickard
Simmons
Stewart
Waddell
Wood
Young (Beaches—Woodbine)—68

PAIRED—MEMBERS

Anawak
Callbeck
Cooper
Kaplan
Redway

Blondin
Collins
Edwards
MacLaren
Worthy

Madam Deputy Speaker: I declare the motion carried.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I rise on a point of order.

Madam Deputy Speaker: The hon. member for Saint-Léonard on a point of order.

Mr. Gagliano: Madam Speaker, I think there could be unanimous consent so that the vote we just had on second reading and referral to the Legislative Committee of Bill C-32, an Act to amend the Canada Assistance Plan, be equally applied to the motion by the Minister of Transport for third reading of Bill C-11, an Act to amend the Railway Act.

Mr. Benoît Tremblay (Rosemont): Madam Speaker, I agree provided that it be indicated that I voted against C-11.

• (1830)

[*English*]

Mr. Hawkes: Madam Speaker, there would be agreement on the government side to have that applied. I would also like to take the opportunity to remind members that at the conclusion of Committee of the Whole at ten o'clock this evening the voting will start but there will be no bell. It is a very unusual procedure. Members perhaps should be reminded that there will be no bell at ten o'clock.

Madam Deputy Speaker I thank the hon. government Whip.

The House has heard the terms of the suggestion made by the hon. member for St. Leonard. Is there unanimous consent?

Some hon. members: Agreed.

An hon. member: No.

Madam Deputy Speaker: Everyone has noted the dissension of the hon. member for Rosemont.

The House divided on the motion (Mr. Mazankowski), which was agreed to on the following division:

(*Division No. 41*)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Chartrand
Clifford
Corbeil
Couture
Danis
DeBlois
Della Noce
Dick
Domm
Duplessis
Fee
Ferland
Greene
Halliday
Hawkes
Hockin
Holtmann
Horning
Andre
Attewell
Belsher
Bertrand
Blais
Bosley
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Cole
Côté
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Dorin
Epp
Feltham
Friesen
Guilbault
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Hughes
James
Kempling
Landry
Larrivée
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McCreath
McDougall (St. Paul's)
Monteith
Nicholson
O'Kurley
Porter
Reid
Ricard
Robitaille
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vankoughnet
Vien
White
Wilson (Etobicoke Centre)—121
Jacques
Joncas
Koury
Langlois
Layton
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDermid
McLean
Moore
Oberle
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Van De Walle
Vézina
Weiner
Wilbee

NAYS

Members

Allmand
Arseneault
Axworthy (Winnipeg South Centre)
Bélair
Benjamin
Black
Blaikie
Brewin
Caccia
Chrétien
Dingwall
Ferguson
Fisher
Foster
Gagliano
Gray (Windsor West)
Harvey (Edmonton East)
Jordan
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Marchi
Martin (Lasalle—Émard)
Milliken
Mitchell
Nault
Nystrom
Pagtakhan
Rodriguez
Skelly (Comox—Alberni)
Stupich
Walker
Young (Acadie—Bathurst)
Angus
Axworthy (Saskatoon—Clark's Crossing)
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Butland
Catterall
Clancy
Duhamel
Finestone
Fontana
Gaffney
Gauthier
Harb
Hopkins
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
Lee
Manley
Marleau
McLaughlin
Mills
Murphy
Nunziata
Ouellet
Pickard
Simmons
Stewart
Waddell
Wood
Young (Beaches—Woodbine)—68

PAIRED—MEMBERS

Anawak
Callbeck
Cooper
Kaplan
Redway
Blondin
Collins
Edwards
MacLaren
Worthy

Madam Deputy Speaker: I declare the motion carried.

Bill read the second time and referred to Legislative Committee F.

* * *

RAILWAY ACT

MEASURE TO AMEND

The House resumed from Friday, September 27, consideration of the motion of Mr. Corbeil that Bill C-11, an act to amend the Railway Act (grain and flour subsidies), be read the third time and passed.

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

(Division No. 42)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Chartrand
Clifford
Corbeil
Couture
Danis
DeBlois
Della Noce
Dick
Domm
Duplessis
Fee
Ferland
Greene
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
James
Kempling
Landry
Larrivée
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McCreath
McDougall (St. Paul's)
Monteith
Nicholson
O'Kurley
Porter
Reid
Ricard
Robitaille
Andre
Attewell
Belsher
Bertrand
Blais
Bosley
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Cole
Côté
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Dorin
Epp
Feltham
Friesen
Guilbault
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Joncas
Koury
Langlois
Layton
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDermid
McLean
Moore
Oberle
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Van De Walle
Vézina
Weiner
Wilbee
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Turner (Halton—Peel)
Vankoughnet
Vien
White
Wilson (Etobicoke Centre)—120

NAYS

Members

Allmand
Arseneault
Axworthy (Winnipeg South Centre)
Bélair
Benjamin
Black
Blaikie
Brewin
Caccia
Chrétien
Dingwall
Ferguson
Fisher
Foster
Gagliano
Gray (Windsor West)
Harvey (Edmonton East)
Jordan
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Marchi
Martin (Lasalle—Émard)
Milliken
Mitchell
Nault
Nystrom
Pagtakhan
Rodriguez
Skelly (Comox—Alberni)
Stupich
Waddell
Wood
Young (Beaches—Woodbine)—69
Angus
Axworthy (Saskatoon—Clark's Crossing)
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Butland
Catterall
Clancy
Duhamel
Finestone
Fontana
Gaffney
Gauthier
Harb
Hopkins
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
Lee
Manley
Marleau
McLaughlin
Mills
Murphy
Nunziata
Ouellet
Pickard
Simmons
Stewart
Tremblay (Rosemont)
Walker
Young (Acadie—Bathurst)

PAIRED—MEMBERS

Anawak
Callbeck
Cooper
Kaplan
Redway
Blondin
Collins
Edwards
MacLaren
Worthy

Madam Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

Government Orders

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration in committee of Bill C-29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto—Mrs. Champagne in the chair.

On Clause 2—*Definitions*

Mr. Hawkes: Madam Chairman, I rise on a point of order. You may remember earlier this day we passed a motion to set in place a somewhat different way of proceeding in Committee of the Whole to allow every member of the House the opportunity to make sure that any amendments they had for this piece of legislation would be put to the House before the close of business this day and have a chance to be voted on.

Because it is 6.30 p.m. and we are still on Clause 2, there have been discussions and I think you would find a predisposition, Madam Chairman, to next recognize the member of the Official Opposition who would be in a position to explain to the House a series of amendments which have or will be tabled with the Table shortly so that they are available to all members. There would be some explanation of that, followed by a representative of the New Democratic Party who would do likewise for its amendments.

There may be other members of the House who have tabled amendments and would like to explain them. We could conclude with the President of the Treasury Board who could explain his amendments and respond to any of the others that he chose to at that point. Then I think we would be in a position to move through clause 3, clause 4, and sort of speed it up a little. Hopefully members would then be disciplined in their questions and their responses to the clauses under consideration.

From that point on, those who had more general comments to make on clause 2 might find that opportunity as early as tomorrow on third reading stage. It might be more appropriate for 20-minute speeches to take place at that point and enable us to be targeted between now and seven o'clock, more specifically on proposals for amendment that could come from anywhere in the House.

I think that predisposition exists.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Chairman, I would like to confirm that indeed there were discussions before the vote. It was agreed that a member from each party would introduce various amendments, as well as any other member who would wish to do so, in order that we can continue the debate and explain all of the amendments before 10 o'clock.

[*English*]

Mr. Bill Blaikie (Winnipeg Transcona): There were discussions and the proposal as put by the government Whip is acceptable to the NDP caucus.

I might say it is an unusual procedure, but I think it responds to an unusual situation, and for that matter an unusual interpretation of the motion which was adopted by unanimous consent earlier today.

Some of us thought at that time that it was simply a way of dealing with amendments which might not have had the opportunity to be moved from the floor, but the government had a different understanding. It has met the problem with that understanding by consenting to this particular arrangement, and I thank it for that because it will give everybody an opportunity to say what amendments they have tabled and why.

Mrs. Marlene Catterall (Ottawa West): I think, given the limit on time for debate, it is relatively important that for the rest of our discussions in Committee of the Whole all members be aware of amendments that have been or will be tabled.

I would therefore like to move the following amendments in addition to the one already moved to clause 2. The first of those amendments would be, and I move:

That Clause 3 of Bill C-29 be amended by adding immediately after line 31 on page 3 the following:

(e) persons engaged as independent contractors.

What this does is ensure that people engaged from outside the Public Service to perform work for the Public Service of Canada are treated exactly the same as those employed within the Public Service.

We in the Official Opposition see no reason for limiting employees of the government, whether term employees or continuing employees, to no salary increase for a year and only 3 per cent for the following year and for providing preferential treatment to persons engaged as independent contractors performing the same work. If the government were serious about fiscal restraint then surely that fiscal restraint applies to people hired from outside to perform the same work.

This offers opportunity for even more savings because independent contractors constitute a larger amount of spending at $5 billion than the entire payroll of the Public Service Alliance of Canada with which the government is now in dispute.

With respect to my next amendment, hon. members might wish to insert my proposed new clause 5 immediately after line 2 on page 4, following clause 4 and before the existing clause 5 of Bill C-29. The proposed clause 5 now deals with pay equity and reads as follows. I move:

That Bill C-29 be amended by adding after line 2 on page 4 the following:

5. (a) Forthwith on the coming into force of this act

(i) Treasury Board shall revise the classification system to incorporate fully into pay scales the compensation now paid to certain employees and groups of employees as equalization payments in respect of pay equity;

(ii) Treasury Board will cease all actions before the Human Rights Commission in opposition to the Commission's ruling on any matter related to equal pay for work of equal value.

(b) One year after the coming into force of this Act, the Treasury Board shall revise classifications as necessary to implement full pay equity as agreed to between the Treasury Board and bargaining agents for the employee.

(c) For any employee or group of employees for which the Treasury Board and the bargaining agents have not been able to reach agreement pursuant to section 5(b) on new classifications to implement equitable pay scales, all disputes will be deemed immediately referred to the Human Rights Commission for binding resolution.

• (1840)

To put in simple terms what this accomplishes, it takes an archaic provision whereby the government provides token payments to female dominated groups of employees in lieu of fully equivalent salary. They are token payments. Equalization payments are not pay equity. Only pay incorporated in the salary scale is pay equity.

With respect to the amounts required to implement that, the amount available for pay equity is already being paid in equalization payments. It could just as easily be incorporated for the same amount into salary scales, and one of the conciliation board reports has already determined that the government has set aside money for that.

This further provides that full pay equity will be implemented within one year after the coming into force of this act for a number of groups and employees for which pay equity is in dispute. After 14 years, it seems to me it is time to do that.

This amendment is put forward because the bill specifically contains provisions to allow for the implementation into the classifications of pay equity. This is an amendment to those provisions, but more from the point of view that the Official Opposition does not believe that pay equity is negotiable. It is the law. It is a right. It is not an item to be negotiated against any other consideration.

The fourth amendment I put forward is:

That Bill C-29 be amended by deleting everything after line 3 on page 4 and substituting the following therefor:

Forthwith, on the coming into force of this act, the chair of the Public Service Staff Relations Board shall name a mediator acceptable to both parties who will endeavour to mediate all matters referred to the mediator and to bring about agreement between the parties;

6. The Chair shall refer to the mediator all matters relating to the compensation plan for any employee or group of employees covered by this act which has expired and for which no new compensation plan has been established.

7. The mediator shall report to the chair on the resolution of all such matters on the date fixed by the board.

The effect of this amendment is to delete all the provisions of this act relating to the imposition of a wage freeze and wage controls and to delete all provisions of the act that suspend collective bargaining rights for employees of the Government of Canada.

It is also to substitute for those provisions the establishment of a mediation process to lead to the resolution of all matters in dispute.

The fifth amendment is:

That Bill C-29 be amended in clause 7 on page 4 by deleting line 33 and substituting the following therefor:

What this does is change a provision that the Canadian Human Rights Act, as it might apply to any of the provisions of this act, is superseded by or, in the words of the bill, "subject to the act".

In the view of the Official Opposition, the Human Rights Act should not be subject to the provisions of this act, because this act is contrary to the provisions of the Human Rights Act. Therefore, we move:

That line 33 on page 4, be deleted and the following substituted therefor:

Rights Act, the terms

Therefore, deleting the part which would subject the Canadian Human Rights Act to this bill once enacted.

Motion No. 6 refers to clause 8, on page 5.

That Bill C-29 be amended in clause 8, by deleting line 42 on page 5 and substituting the following therefor:

award, including wage rates and other terms.

What this does is amend clause 8, which prevents any provisions relating to wage rates or conditions of compensation being included in any agreement that may be reached by arbitration or collective agreement. We believe that wage rates and other terms should be arbitrable or subject to collective bargaining.

The seventh amendment and second last, refers to clause 10, page 6. The amendment is:

That Bill C-29 be amended in clause 10 by deleting lines 20 through 42 on page 6, and substituting the following therefor:

10(a) by such amounts as are agreed upon by the parties as a result of collective bargaining.

What that does is take out an imposed settlement and allows for the possibility of compensation plans being implemented that are reached as a result of collective bargaining.

The final amendment I propose:

That Bill C-29 be amended in clause 11, on page 7, by deleting lines 14 through 22 and substituting the following therefor:

11(1) The previous compensation plan and wage rates may be adjusted by such amounts as are agreed upon by the parties as a result of collective bargaining and any wage rates so adjusted shall

The effect of that is to allow for the inclusion of compensation as agreed to in collective bargaining in collective agreements.

I table a copy of these amendments and commend them to the House. I particularly urge the government to look seriously at those clauses relating to pay equity and to agree, after 14 years of a Human Rights Act in this country, that pay equity is not a bargaining chip.

Ms. Joy Langan (Mission—Coquitlam): Madam Chairman, on behalf of the New Democratic caucus I would like to table amendments, starting with the amendment on clause 3.

That clause 3 be amended by striking out lines 13 to 42 and that clause 3 be further amended by striking the word "not" at line 43.

The reason for this amendment is that we feel very strongly that this act is far too broad. The application of the act is including and sweeping in everybody who may have any remote connection to the federal government. It is certainly far too broad under the act.

• (1850)

We feel very strongly about subclause (4) "For greater certainty this act does not apply to persons engaged as independent contractors".

We want to take the word "not" out, because we feel very strongly that independent contractors would be excluded from this act, when you could have two people working side by side, one earning a different salary than the other, and certainly one getting an increase and the other not.

An hon. member: Well, one is Brian's political friend.

Ms. Langan: Well, it might be the Prime Minister's political friend. We very strongly feel that those amendments should take place.

Under clause 5, we suggest that subclause 5.(1) be amended by an addition at line 11 of "with the exception of a mediated mutually agreed upon settlement having been arrived at before or after proclamation of this act."

Obviously, what that means is that we feel very strongly that one further step in collective bargaining has been missed by this government with its mediation, and that if mediation were undertaken and achieved after the act is passed, obviously the act would become redundant.

We urge the government and other hon. members to seriously consider this amendment.

In addition, under subclauses 5.(1) and 5.(2) we would like to put a new amendment, that subclauses 5.(1) and 5.(2) would have no force or effect should a mediated

settlement be arrived at. Again, we feel very strongly that the minister should be appointing a mediator and that the minister should be taking those steps.

Under clause 6 the amendment we have would say that clause 6 should be amended by adding at line 30 on page 4 the following:

> —with the exception of a mediated, mutually agreed upon settlement having been arrived at before or after the proclamation of this act.

A new subclause 6.(1) "that proposed section 6 would have no force or effect should a mediated settlement be arrived at."

The reason is because these clauses spell out the time frames and who is in and who is out, and when they are in and when they are out, and we want to make very clear that we believe a mediation should take place and that if a mediated settlement is achieved that these people should not be further penalized.

Under clause 7 our amendments are that clause 7 be amended by adding immediately following line 42 on page 4 "for greater certainty any order by the Canadian Human Rights Tribunal respecting pay equity in the federal public service shall be exempted from the application of this act."

We feel very strongly as do others on this side of the House, in the Official Opposition as well as our caucus, about negotiating something that is already law and having it subjected to human rights tribunals because the minister does not implement it, and then being further subjected to appeal before that tribunal. We would like to see in this legislation clarification that that will not take place and that pay equity will be implemented.

Regarding clause 7, clause 7 be amended by replacing the word "may" with the word "shall", at line 43 at page 4. Everybody is aware, I think, that the word "shall" compels the minister as opposed to "may" which leaves considerable discretion on the part of the minister.

We would ask that the amendment on clause 7 at line 43 on page 4 be changed to read:

> The Treasury Board shall change any terms and conditions of a compensation plan that is extended—

We then asked the minister, in a further amendment:

> That clause 7 be amended at line 5 on page 5 by striking out the words "in the opinion of the Treasury Board".

The reason that we are asking that the lines "in the opinion of the Treasury Board" be struck is that we do not think the Treasury Board should have discretionary opinions. We feel very strongly that once a collective agreement is arrived at, it should be mutually arrived at by two parties. That should be sufficient and Treasury Board should not be overruling. Again under clause 7, line 10 on page 5, we are asking to replace the word "may" with the word "shall".

The final one is on clause 7, that it be amended at line 28 on page 5 by striking out the word "not", which is:

> The Treasury Board may not make or authorize any increase in wage rates pursuant to subsection (3) or (4) that is not in accordance with section 10.

We believe that collective bargaining should provide a circumstance under which this can take place.

The amendment under clause 8 is that at line 42 on page 5 we strike out the words "other than wage rates or other terms and conditions of the compensation plan". We believe that a freely negotiated and ratified collective agreement should be respected.

Under clause 9 the first amendment would be at line 5 on page 6. We would strike striking the word "not". The reason for that is that we do not agree there should be 12 months following the introduction of the 0 per cent. We believe that the wages again should be freely negotiated.

Then that clause 9 be further amended at line 7 on page 5 by an amount equal to the Canadian Consumer Price Index for the immediately preceding year. It probably is pretty evident to everyone who is listening why we would have put that in rather than a 0.

Clause 9 be amended at line 11 by striking out the words "three per cent" and inserting immediately following by "an amount equal to the Canadian Consumer Price Index for the immediately preceding year."

Again we believe that 3 per cent should not be a pre-condition, but that we should at least be negotiating within the framework of the cost of living.

That clause 9 be amended by the addition of a new subsection (3):

Notwithstanding any other act of Parliament, but subject to section 11, every compensation plan for employees to whom this act applies shall be deemed to include a no layoff provision.

I think that clause speaks for itself.

We would ask that clause 12 be amended at line 36 on page 7 by replacing the term "Treasury Board" with the words "Public Service Staff Relations Board"; that clause 12, subsection (2) be amended at line 42 on page 7 by replacing the words "Treasury Board" with the words "Public Service Staff Relations Board"; and that clause 12, subsection (3) be amended at line 1 on page 8 by replacing the words "Treasury Board" with the words "Public Service Staff Relations Board".

We really believe very strongly that it would be far more appropriate for the Public Service Staff Relations Board to be overseeing the administration of collective agreements for the public sector than to be having Treasury Board, a more political body, overseeing collective agreements.

The amendment to clause 13 would be that clause 13 be amended at line 10 on page 8 by striking out the word "no". Again it is in response to our belief that a freely negotiated agreement should be honoured and bargainers should be going to the table without pre-condition or prohibition.

Clause 14 be amended at line 36 on page 8 by inserting immediately following "are" the words "being forced". Clause 14 would then read:

(a) to fail to give notice to employees participating in the strike that they are being forced to resume the duties of their employment immediately;

I think that clause speaks for itself.

On clause 20, that clause 20 on page 9 be amended by striking out all words following the word "Majesty" on line 27. The reason for that is that we believe very strongly that there is a slight conflict between having an organization fined for failing to comply with the law and then the employer receiving the fines. We believe that section 20 should be amended as stated.

• (1900)

The final clause that we have an amendment for is:

That clause 25 be amended by inserting at line 29, on page 11, immediately following the word "force", the following:

only once the report of an independent mediator is received by the minister. If the report of the mediator is refused by the minister, this act will not come into force.

Again we believe that a mediated solution would be the appropriate solution and that a mediator should be able to bring both parties together to a mutually agreed to solution.

The final amendment is:

That clause 25 be amended by inserting sub paragraph 2, line 33 on page 11 to read:

Notwithstanding clause 25(1), this act shall come into effect six months hence.

[*Translation*]

The Assistant Deputy Chairman: Are there any other members wishing to table amendments?

The Hon. President of the Treasury Board.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Chairman, like my colleagues from the Liberal Party and the New Democratic Party, I would like to propose three amendments. I will be brief since copies of these amendments have already been distributed to our colleagues who can read them. I would simply say that the first one allows us to make an exception to the rule regarding compensation so that, as I said in my speech, we could pay a lump sum of $500 to people earning less than $27,000 less than that with that sum being reduced step by step for those earning between $27,000 and $27,500.

The objective of this amendment is to make sure that it is not prohibited by the Act.

The second amendment would allow the Governor in Council to order pay adjustments, again outside the bill, up to the time when the bill received Royal Assent. What we are requesting is enough flexibility, up to the time when the bill is assented, to continue bargaining with some unions and possibly come to some agreement.

Finally, the third and last amendment, dealing with section 23 is required in order to correct a mistake, to add something which was forgotten in the French version at line 31. It adds the word "cent" before the word "trois", to read "cent trois pour cent". So I would say this is only a technical amendment to the translation.

These are our amendments. As to the amendments proposed by my colleague from the Liberal Party, I note that the first one asks that we apply the same rule of 0, 3, 3 to independent contractors to whom we contract out.

We cannot accept that amendment because if we need, for instance, the services of a secretary who is working for that contractor, we would be forcing her employer to settle wage claims for at zero and 3 for a year, and we would go well beyond what we wish to do as an employer. We consider that this amendment is not acceptable.

In the case of the next amendments, that is amendments Nos. 5, 6 and 7, on the sheet that been handed to us, as well as amendment Nos. 10 and 11, they are all amendments linked to the mediation process and they would put us in a position of mediation. I have already explained earlier to this House that the government, for the reason that I have already mentioned very clearly, did not intend to accept it.

If we proceed to the third paragraph, on page 2, we find that those amendments deal with the wage equity. I had also the opportunity today to explain why, for instance, we did not intend to withdraw our appeal before the court, because it is a very important appeal that deals with some principles. There has been a conflict between us and the other party as to the definition of the extremely important principle of wage equity, and that is why, of course, we want to maintain our prerogative and why we are not prepared to forego such prerogative as this amendment would have us to do.

I remind that amendments at the bottom of the page, that is that "Bill C-29 be amended in clause 2" etc., and "that Bill C-29 be amended in clause 7", would prevent us from granting other premiums such as the bilingualism premiums. I have a whole list of premiums —

[*English*]

—which are given shift premiums, weekend premiums, stand by premiums, pedagogical factor allowance, overtime meal allowance.

[*Translation*]

We made it abundantly clear that we do not want that at all when we say that premiums would be limited to zero. That is why this clause is not acceptable for the simple reason that we cannot limit bilingualism premiums at zero per cent. That is not our intention at all. We are talking about wages and remuneration.

As for his concern about the clause on page 4, *substituting the following therefor Rights Act the terms,* I would like to remind him that there may be some confusion here. The government has no intention whatsoever to avoid the human rights legislation. I believe that it is absolutely clear in the way it is stated the French version of the bill and the problem might be in the interpretation that the hon. member could legitimately make when he wondered if we intended to override that legislation. That is not the case at all. On the contrary, we said that we totally agreed that it should be subject to the Act.

In the last amendment, which is on page 3 of the document provided by my colleague of the Liberal Party, we are asked to amend clause 8 by striking out line 42 at page 5 and substituting the words "including wage rates and other terms". This would imply reopening the salary question which is precisely what we considered to be a constraint at Budget time, and we have no intention to reopen it.

As for the amendments presented by my colleague for Mission—Coquitlam, she recommends that clause 3 be amended by striking out lines 13 to 42. We do not really know by what these lines would be replaced, and it would be impossible to know to whom the law applies. Therefore, this motion is obviously unacceptable because it eliminates altogether the people to whom the law applies. We do not know anymore to which law it applies.

Amendment to clause 5 at page 5. Again, this is an unacceptable change because it focuses once more on mediation, and that we will maintain the 0 and 3. We have already said very clearly where we stood on that matter.

On clause 7, we are asked to make an addition following line 42 at page 4:

[*English*]

> for greater certainty, any order by the Canadian Human Rights tribunal respecting pay equity shall be exempted from the application of this act.

This is already implicitly covered I would submit, Mr. Chairman, by the opening words which say in clause 7(1):

7.(1) Notwithstanding any other Act of Parliament except the *Canadian Human Rights Act*

Therefore, the Human Rights Act applies.

She says:

That clause 7 be amended at line 5 on page 5 by striking the words:

In the opinion of Treasury Board,

This is fully within the prerogative of Treasury Board under the Financial Administration Act to deal with personnel management. This only recognizes a principle.

As for striking the word "not", we stick, of course, to the zero, three. We would only have to amend it if we were prepared to go beyond that. I think she knows very well where we stand on this.

On clause 8, she recommends that we strike the words "other than wage rates or other terms and conditions of the compensation plan."

It would cover monetary items. The purpose of this bill is precisely to prevent this occurrence.

• (1910)

On clause 9:

That clause 9 be amended at line 5 on page 3 by striking the word "not" by an equal amount to the Canadian consumer, not at all. We are not prepared to legislate the Consumer Price Index. I have indicated that we have to fight this and make sure that we break the vicious circle which would carry us to higher deficits, higher taxes and higher debt. We are not prepared to accept that.

That clause 9 be amended at line 11 by striking the words "3 per cent", well this is a 3 per cent year and we will hold on to that.

Another item, that clause 9 be amended by the addition of a new subparagraph, I would say that this is a wage restraint bill, not a job security bill, which can be dealt with in the proper form which is the National Joint Council.

That clause 12 replaces the words "Treasury Board" with the word "Public Staff Relations Board", I beg to remind the hon. member that this is the employer. The Public Service Staff Relations Board is an adjudicative body which does not deal with matters such as the enforcement of an act. Sometimes I wonder, I must say, but they are supposedly an adjudicative body.

An hon. member: Why don't you talk to the judge?

Mr. Loiselle: He said he wanted me to talk to them. I am not supposed to talk to a judge, you know. I did not. But everybody else has, it seems. I wonder.

On Clause 14, by inserting the words "being forced", this is not helpful and I do not think it would add anything to enforce penalties.

Again, Clause 25 is related to mediation. The effect of the last amendment on Clause 25 is beyond what is not in the agreement with what we are trying to achieve.

[*Translation*]

Mr. Chairman, these are roughly the amendments we are moving in an effort to tie up a number of loose ends in our bill. This is what I had to say about the proposals made by the Liberal Party and the New Democratic Party. Thank you.

[*English*]

Ms. Langan: Mr. Chairman, could the Chair please explain if we are still on clause 2, or if we are going to have an opportunity to move on to clause 3?

[*Translation*]

The Assistant Deputy Chairman: The Speaker is in the hands of the House and it is up to hon. members to let me know when no one else wants to discuss clause 2. In accordance with a motion passed earlier today, clause 2 will be set aside for a vote by 10 o'clock tonight. At that time, I will deal with clause 3.

[*English*]

Mr. Simmons: Mr. Chairman, the member for Mission—Coquitlam has raised a point of order as to whether or not we are going to clause 3. Maybe we should remind the committee that the informal agreement we had in the House an hour or so ago, put to the House by the government Whip, was that a speaker for each of the three parties in the House, the government, the Official Opposition and the NDP, would in umbrella fashion explain and/or introduce any amendments for whatever clause.

Having done that, and that has been accomplished, we have had the member for Ottawa West, the member for

Mission—Coquitlam, and now the president of the Treasury Board. That round is completed.

As I understand the agreement we made an hour or so ago, we now revert to our debate on clause 2. I had risen a moment ago because I wanted to be the next speaker for the Official Opposition in that respect.

Ms. Langan: Mr. Chairman, I appreciate that the member wanted to speak on clause 2. I am not challenging his right to do that.

I am not sure you were in the House when the Whip for the government side explained that in the agreement we were going to try to move through some of the other clauses after we had introduced our amendments.

I have no objection to the hon. member speaking. I just wondered if we were going to start now moving through the clauses as had been agreed by all three parties.

Mr. Kempling: Mr. Chairman, just to clarify it. If the member for Mission—Coquitlam wants to move on to clause 3, she can merely ask that we stand clause 2 and move on to clause 3. It is straightforward.

If the member wants to speak on clause 2, then we are officially on clause 2. We have not moved off it.

[*Translation*]

The Assistant Deputy Chairman: I appreciate the comment made by the hon. member for Burlington, but having said this, it is nevertheless true that, since the beginning of our proceedings in committee of the Whole all hon. members dealing with clause 2 have taken this opportunity to deal with all the issues connected with that bill and I intend to keep the same flexibility and allow all hon. members to discuss clause 2 as well as any other features of the bill, when I recognize them in the House, if the House agrees. I think this formula is very flexible and allow every hon. member given the large number of people who want to participate in the debate, to discuss clause 2 as well as the other clauses of the bill.

[*English*]

Hon. Roger C. Simmons (Burin—St. George's): Mr. Chairman, I have a few words to say on clause 2, and perhaps some other clauses of Bill C-29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto. That is the gentle characterization of what we are doing here today.

I suppose it is the nature of bill drafting that one has to be fairly innocuous or genteel in putting labels on those bills. I have no difficulty with that. But let us be aware that what the government seeks to do here today is more Draconian than talking about compensation in the public sector.

I listened with great interest to the gentleman from Laval Est—

[*Translation*]

—who just made a speech. The member for Laval-est said to this House: "We have nothing against those people", meaning the civil Servants who are now on strike. I would like to tell him this: What you say and what you do are two different things.

[*English*]

I want to say to the gentleman from Laval Est that his actions contradict what he is saying. We have an expression that says: "your actions speak louder than your words." It is not enough for him and others to stand in this Chamber and say: "We have nothing against those people," when every single action of the government, and those who toe the line over there, indicate clearly that it must have an awful lot against these people in the union, the Public Service Alliance of Canada, because how else, I say to him, can you explain the toying with them, the aggravation, the setting them up over the past few weeks?

My colleague and friend from Ottawa West raised the question today in Question Period on this very issue. She said in her first question that the government was much more concerned with its place in the polls, that these 160,000 people were pawns in a game.

If you look at the way the government has gone about this, it is a two-faced approach on this issue. The old "now you see it, now you do not" approach, the government changing the ground rules to suit its particular purpose at the time.

• (1920)

First, it told these employees there would be negotiations. Now it refuses to negotiate. First it said that salaries could go up, but it would mean job losses. Now it says zero increase and the job losses continue.

It is very difficult. It is always difficult to deal with a moving target. It is always very difficult when you have a government that places no stock at all in credibility, no

stock in its word at all. To use the expression that is almost worn out, but still very revealing, a government that rolls the dice as it sees fit.

The sad result, of course, is that there are many thousands of people out there on strike in front of this building today, and countless other buildings, in Ottawa and the national capital region and across this country. Of course they are. I suppose, all of them, to a man, to a woman, do not particularly want to be there. That should come as no secret to anybody. They have been goaded into it by a government that does not care an awful lot about the pain or inconvenience it inflicts on people. It has goaded these people into this strike. It has been a contrived confrontation from the beginning.

I put it to you, Mr. Chairman, that this strategy was mapped out a long time ago. It was part of the contrivance, part of the plan, part of the way to grasp at straws, to hang on by the fingernails, to find a way for this government to redeem itself in the public eye, to play tough with a group of people, to go out there and show that there is going to be restraint, or else.

There is another side of this that needs to be put on to the record. I cannot get very excited about the way the government is handling this particular grievance. I heard some insinuations a few moments ago. At the same time, there is always the danger that because one criticizes one side one is thereby thought to be embracing all the actions of the other side.

I stand here representing about 85,000 or 86,000 Canadians who happen to live in the riding of Burin—St. Georges. Relatively few of those people, a mere handful of them actually, are involved as members of the Public Service Alliance of Canada. I suppose, on a per capita basis, I probably have fewer people in that union than almost any other member in this Chamber. My riding is a very rural riding of 158 communities. The largest communities have a population of are 7,000 or 8,000, communities like Stephenville and Marystown and Port aux Basques. However, most of them are much smaller communities of 50, 60 or 100 people. In those communities you will not find government services. I am not saying there is an absence of services, but there is an absence of a government installation. The services are usually delivered from outside the community, from more urban centres such as St. John's or Cornerbrook, or in some cases Stephenville or Halifax or Moncton or so on. On a per capita basis we do not have a lot of PSAC people.

But that is not the issue. Surely, members of this Chamber ought not to have their participation and debate determined on that basis alone. I also represent 86,000 people, including many thousands of taxpayers, who are going to be footing the bill for whatever settlement there is here. They are going to be putting up with whatever inconvenience or lack of service during the course of this strike.

As I have said, I do not have many of those members directly in my riding. I want to give an example, just to illustrate a point I think is important.

The point I alluded to just now is that because we criticize the government, do not, anybody, be under the illusion that somehow we embrace all the activities of PSAC on this.

For example, I do not at all embrace the way it has in a very partisan way tried to politicize the entire issue. I do not embrace that at all. I am sure that comes as no secret to many people in this Chamber.

There is something else that I do not at all subscribe to. I will give a specific example. My friend and colleague from Gander—Grand Falls has a community in his riding called Gander. I happen to go through that community to use the airport on a fairly frequent basis, last Friday afternoon being one of those occasions. It was just after the union had decided to go back on the picket lines.

I arrived just after a particular incident had taken place. I was not witness to this, so it is second-hand in this situation. I was informed about it by a person at the airport who did it mainly just to make conversation with me. We were passing time together, and that individual decided to tell me about this particular incident. I want to tell the committee, because it is revealing.

An elderly woman had approached the airport in a car as a passenger late in the afternoon, hours after the picket lines went up. She was a woman in her sixties. She was to take a flight from Gander to St. John's, a 25 or 30 minute flight, to have a CAT scan, a medical examination, for her particular medical problem.

Her case was known to the people on the picket line. Her age was known, it was obvious to see. Her circumstances were known. The importance of her getting to that airport to get that flight was known.

That woman was obliged to vacate the car in which she was travelling and walk for just about a mile, carrying her luggage, to get to the airport.

What point was served? If they wanted to do that to the President of the Treasury Board, make him walk a mile to get to the airport with a suitcase, I suppose it could be considered that they are aiming at the target.

What did that poor little old woman have to do with those people getting a settlement. I think we all know the answer.

I was talking a moment ago about this government engaging in a contrived confrontation. It is like an argument, it takes two. You cannot have a confrontation unless you have people on both sides willing to engage in the confrontation.

I have to say on this one in passing, before I get on to some of the other issues in this bill, that given the example I have just put before the committee, that woman approaching Gander airport last Friday, either the union leadership is not very bright, else it is just anchoring to get legislated back to work.

I do not believe for a fraction of a second that we have to embrace all the antics that are going on out there in the name of strike action. I would hope that the union leadership would smarten up and realize it is not those little old ladies I am talking about who are the brunt of its problem, but if it wants to take it out on this government, it has a duty and a right to do so. I will be there with it.

Let us come to some of the issues, because I just wanted to set the record straight on that one. It bothers me that some of the people out there are missing the real issue here. The real issue is to inconvenience the government. The real issue is to get the message home to the government.

I doubt the President of the Treasury Board even heard about that incident until I told him just this last minute, not that he should have, but I am just saying to the union that if it thought that woman, and she was mirrored many times across the country, was going to bring the government to its knees, maybe it was mistaken on that one.

• (1930)

In this business everything is black or white. I suppose the reason I do not have a full bench of NDP members here is because they have all rushed out to call Daryl baby now, and get their latest instructions from him and tell him what little old Rog has said here in the Chamber about them. In the age of black and white, I suppose, I will now be blacklisted as a fellow who does not like unions.

I happen to like them very much. I just do not like some of their tactics. When they go interfering with the freedom of some senior citizen who wants nothing more than to get to a doctor on time, then it is time for them to have a little pow-wow and refocus on what their target is. I do not believe it is those people out there who are innocently suffering on account of some tactics of which I cannot believe for a second anybody in his or her right mind is actually approving.

I say to my NDP friends, while they are calling the union, maybe they could pass on a message or two. Maybe they could tell the union that yes, I, this member, supports pay equity. I happen to know people in my riding and people across the province of Newfoundland and Labrador and people across the country, carpenters and labourers, who are getting $4 less an hour than their counterparts in Vancouver.

Here is a carpenter in Vancouver and he gets so much an hour for doing a job for the government. He is employed by the government, he is a civil servant, he is a member of PSAC and he is getting a certain wage in Vancouver. His counterpart in Newfoundland, doing the same thing, driving the same size nails, drawing out the same nails, squaring off the same board, using the same kind of a Skil saw, maybe wearing the same brand of overalls, is getting $4 less an hour.

What is the difference? Is the fellow in Newfoundland doing a sloppier job than the fellow in Vancouver? That is entirely possible, I suppose, because the law of averages says that you are going to have some sloppy carpenters in Newfoundland, some sloppy ones in Vancouver. You would not mind if they were paying the sloppy ones $4 less. All the carpenters in Newfoundland who work as members of the PSAC union for the government are getting that rate. What is their sin? Is

their sin that they are sloppy, as opposed to competent? No, no, oh, no. Their sin is that they are living in Newfoundland instead of in Vancouver.

You talk about discrimination. This government is paying a carpenter in Newfoundland $4 less an hour than if that same carpenter were in Vancouver.

To extend the example, this government pays the carpenter in Newfoundland $2 less than his counterpart in Ontario. You do not need a strike. You do not need negotiations to tell you that fair is fair. This government says to women librarians that because they are women it is going to pay them several thousand dollars less. It is happening right in this city to librarians.

Again I make the point: it is not on the basis of whether they are sloppy or incompetent or thorough or experienced or a novice. Oh, no, none of the above. The only question in effect is: are you a women or are you a man? If you are a woman you get paid several thousand dollars less a year than if you were a man.

We do not need strikes. We do not need collective agreements. We do not need negotiations to settle those questions. These were settled in the minds and hearts of Canadians many, many years ago. That is addressed in one of the amendments put forward by my colleague from Ottawa West. Take those things off the table. Pay equity should not even be a negotiable item. That should be a given. The government will now say it as it should have said a long time ago, and oh, yes, it said it, the Prime Minister has said it many times. Like so many other things, he has not exactly put his money where his mouth is.

Let the government say now that it recognizes its error on this. It is not a matter for negotiation that a carpenter in Newfoundland should be paid less than one in Vancouver; that a woman librarian in Ottawa or wherever should be paid thousands of dollars less than a male librarian. That is disgusting, it is absolutely disgraceful. It is unthinkable.

Let us not get these things wrapped up in government's ability to pay. When we get to the stage in this country at which we have a government that can justify discrimination on the basis of the pocketbook, can justify using the public purse to discriminate against people because they happen to be female or happen to be living in one part of the country or another, it is time for somebody over there to smarten up. This has nothing to do with Tory politics or right wing politics. Certainly, lowering the agenda is not that right wing. It cannot be. That has to do more with basic insensitivity, basic stupidity.

Does the President of the Treasury Board not actually have some women in his riding who voted for him at one time. Surely, he is not expecting them to vote for him again if he keeps up this nonsense.

Does he not have some carpenters, some labourers in his riding who are getting less money than they would if they were living in some other province in Canada?

If the minister had nothing going for him, only an instinct for survival, forget looking after the deficit and all the other things he is worrying about these days, if he only has an instinct for survival, an instinct to stay alive, he should rush out there and cure this one, this pay equity issue. This has nothing to do with negotiating. When you have to negotiate something like this, it shows how out of touch with reality you really are.

There are so many more things I could say about this bill, given the time. I see by the signal that my time is up. Perhaps I will get another crack at it later in the evening.

Ms. Langan: Mr. Chairman, I just want to set the record straight. The hon. member who just spoke asked if the NDP was out getting our marching orders from Daryl Bean. I want to let the House know that we were getting our share of the dinner before the hon. member finished and got up to the food.

Mr. Simmons: Mr. Chairman, to the legitimate point of order, as always, the member for Mission—Coquitlam, as is often the case with her, is away behind. I already had my dinner before she got to it.

[*Translation*]

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): First of all, Mr. Chairman, I would like to congratulate—

[*English*]

Mr. Boudria: Did you have your dinner?

[*Translation*]

Mr. Loiselle: No, not yet, I am still waiting for my three limousines!

I would like to congratulate my colleague from Burin—St. George's for his remarkable performance in French. I was quite impressed when he started his remarks by answering a question from my colleague from Laval, and I invite him to do so more often. He did extremely well, indeed. He reminded us that the hon. member for Laval said we have nothing against these people, meaning public servants. In French, he said: What you say and what you do are two different things. I understand, of course, that a 0 per cent increase or a salary freeze, is not, on the face of it, the most pleasant way to tell our employees we greatly appreciate their work. That is the reason why, as the months went by, I took so much time, as did the government, to explain to our employees that was one of many measures we had to take, a difficult, painful, but still necessary decision to make. The hon. member said we have tried since the beginning—

[*English*]

He said it was a contrived confrontation that we had been seeking for political purposes to confront the unions. I will tell him that if one were to look at what other Liberal governments have done this year in other provinces, they have not taken the decision we have to sit down and negotiate. They have just legislated zero per cent. We chose to try and make an effort to improve it.

He said: "You have been shifting the ground rules or changing the ground rules by saying first it will be three and then it will be zero. In February, what we said was that the wage budget would remain at zero, but if we could soon enough come to some agreement where we could balance 1 per cent against 2,000 positions, we could give 1 and then 2 and then 3 per cent. It would be a very high cost. This was not considered by the union. When we sat down, and June came, it was too late. We could not find a saving within the wage budget to proceed this way. We have been, I think, very fair and very consistent. We did not change the rules.

• (1940)

He mentioned a lot about pay equity. I wonder where the members of that party were over the last decade. We are the government which decided in 1990 to give $370 million, in a lump sum payment, for pay equity. We have also agreed to pay, on an ongoing basis, $81 million to allow for catching up. We are not only talking about pay equity as they do, but we are acting. I would certainly compare our record to that of the Liberal Party any time.

He also refers to regional pay. He said it was unfair to pay carpenters in his riding less than what is paid in Toronto or in other provinces in Canada. We have a policy, in certain areas of regional pay, which seems to be fair. I do not see why the Canadian government, which gets its money from the taxpayer, should create a totally unfair competition at the regional level. We try to follow the market pressure in each area and react accordingly.

This, in my view, seems fair because we have to compete with others in that particular area. We do it, I think, as a way of managing well. This is a fair and accepted way.

On the whole, I would like to repeat in closing, we have not chosen confrontation. Far from it. We have chosen negotiation. It is sad that finally the union, as it said the day before the budget: "We are never going to accept this if they so decide to freeze our wages. We are going to go on strike," and they said: "This is a political strike."

It is their problem. For us it is not a political decision. It is a good sound fiscal decision we have taken.

Mr. George S. Baker (Gander—Grand Falls): Mr. Chairman, I have just a couple of words for the minister. I could not help but interject after the minister stated a moment ago that it is okay to pay people in the Public Service less in the province of Newfoundland, for example, or Nova Scotia, or New Brunswick or Prince Edward Island than people are paid in a similar job in other parts of Canada.

In other words, what the minister has just said is that one's wage rate should depend upon where one works, that is, in what province one works. That is quite a statement from the President of the Treasury Board. The President of the Treasury Board speaks on behalf of the government for all policies relating to wages.

In other words, does it mean that the Government of Canada now is trying to pay secretarial staff, clerks, radio announcers with the CBC, who are in competition with private radio, clerks who work for the federal government, who are in competition with clerks in the private sector, secretarial staff, managers, all of our profession-

als what it figures is the going rate in that particular province?

That is totally unacceptable. That is discrimination of the worst kind. That is discrimination depending upon where one lives, where the border is. I notice in section 7 of the bill it refers to work-sharing agreements approved under the Unemployment Insurance Act. Right now under this government you collect unemployment insurance depending upon where you live, not where you work. In other words, you take the government's policy and depending on where you work, that is the sole determinant of how much money you get.

Then when you leave your place of work and you go home to draw unemployment insurance, it depends on where you live, where you take up residence, as to whether or not you qualify for unemployment insurance benefits. In some places it is 10 weeks, other places it is 14 weeks, other places it is 20 weeks, and so on.

It is an outrageous form of discrimination, Mr. Chairman, and the minister just verified it. He said that it is only fair to the private sector in the places affected. I want to remind the minister that some of these employees qualify because they live in those same areas for environmental bonuses, or what is commonly referred to as isolation pay. Why? Because they are living in an area in which the cost of living is higher than if they were living in another area where the cost of living would not be so high.

On the one hand the minister turned around and said in this Chamber a few moments ago that they are going to pay carpenters less if they live in Newfoundland than if they lived in some other province, they are going to pay pipe fitters because they do less if they live in Newfoundland than if they live in some other province in Canada, they are going to pay tractor operators less if they live in Newfoundland—oh, no, work in Newfoundland. Excuse me because it is not where you live. It is where you work which is the sole determinant of how much money you make.

I bring up this point simply to point out that this is one of the things that has demoralized people in the Public Service. You wonder why somebody would willingly go out on a picket line and remove their income from their family. It has to be pretty important to these people to say: "I am going to give up a day's work, or week's work now. I am going to give that up and I am going to have it docked on my next pay cheque". They are being docked on their next pay cheque for the days they were out on the picket line in September. Why would you want, in this day and age, in this country, to lose a week's pay?

The reason for it is because of the demoralization of the Public Service. This is one of the things the minister just said a moment ago and it is enough to make you angry. Regional rates of pay, he says, are okay. You live in Newfoundland, he says you should get paid less for doing the same job than if you lived in the province of Quebec.

What an outrageous statement for the President of the Treasury Board to make on behalf of the Government of Canada. What an outrageous statement for the minister to make.

It is not only that why people go out on strike and sometimes do things they should not really do. The other part of the story is connected with the way the government has treated these employees. After this period is over, this bill will re-enact the same types of agreements, same wage scales, same rapport they had with union members prior to this legislation.

Three years ago the Government of Canada brought in a system under the orders of the President of the Treasury Board to get rid of employees in the Public Service. When you make a decision to get rid of employees in the Public Service, the people who get hit the worst are of course people who live the furthest down the line. They are the first ones to go.

• (1950)

We had upper management in the Public Service being paid money called "productivity bonuses" to get rid of employees in the Public Service. How would that make you feel?

Here you are, sitting in an office in Grand Falls, Newfoundland, sitting in an office in Gander, Newfoundland, or in St. John's, Newfoundland and you know that this President of the Treasury Board has approved a system whereby certain managers along the way will get bonuses if they meet the government's guidelines of getting rid of person years in the Public Service, because that is what was in effect.

In other words, you had one manager ordering other managers to get rid of employees so that he could get his bonus. Then, further down the line, you had managers wondering whether a manager above them was ordering him to be got rid of so he could get an extra bonus.

In other words, you had everybody looking back over their shoulder wondering who was getting paid off to get rid of you. What a system to be living under. The President of the Treasury Board could rightly be called the terminator because he was terminating people by giving bonuses to upper management in the Public Service.

That certainly is not a very good working environment for people in the Public Service. Here they are now, some of them, getting less pay than people in other provinces, and the President of the Treasury Board stands up here tonight and says: "That is the proper thing to do. You should get less pay because you live in the province of Newfoundland, or Nova Scotia".

If you lived in Quebec or Ontario, you would get higher wages. If you lived in British Columbia, you would get higher wages still. That is what the President of the Treasury Board just said.

On top of that, a system of pay-offs for lay-offs in the Public Service. We can understand why the Public Service has been totally demoralized and why the public of Canada are the real losers, because public service to the people of Canada has gone downhill ever since this government took office.

They stand in this Chamber and they say once a year: "Here is a report from this auditing firm saying that it takes two days for a letter to get from one province to another." Canadians are sitting out there and wondering why it takes their letter two weeks to get there. Of course, the reason is that the things that they are judging are only the letters that are pumped out of a computer or a typewriter and have the address exactly in the centre of a letter so it can be read by a machine.

The grandmother who sits down and writes a letter to her granddaughter at university somewhere writes it. She does not type it. The letter takes two weeks to get there, or three weeks. A Christmas present takes a year sometimes. We come across these cases.

People applying to universities, and their student loans going between one province and another. Every member of Parliament has cases now of the mail not arriving at all because public service to the people of Canada under this President of the Treasury Board and under this Government of Canada has gone downhill. Service to the people of Canada has been substantially reduced because the Government of Canada will not treat its public servants properly.

It is not very good to be working in a job today and not know when you are going to lose it or when some manager somewhere is getting a Christmas bonus to take your job away, and wondering why you are making less than somebody in another province and why the President of the Treasury Board stood up here tonight and said: "That is great. That is fine. We are in total agreement with it." Shame on the President of the Treasury Board.

I want to ask him one question. I want to just get this straight on this bonus business that was brought up recently. I just want to get it straight. He can stand up and say yes, that is correct, or no, it is not correct.

If I understand him correctly, what he has said is this: There are really three types, of bonuses. One is a performance pay by managers in the Public Service. Of the 4,700 managers in the Public Service, 97 per cent of them qualified for performance pay this past year. Now, that is one type of performance pay. That runs from 3 per cent to 10 per cent, as I understand it, Mr. President of the Treasury Board through you, Mr. Chairman. Now, that is one type of bonus, which is really a part of, as the President of the Treasury Board explained in the House, the salary. The President of the Treasury Board said that that was negotiated years ago and about 15 per cent was taken off of their range of the salary scale and that amount of money which would have been spent anyway was being used as performance pay for management in the Public Service. That is the massive number—4,600 public servants. That is one group.

Then there is another group which involves Crown corporations, people who sit on boards and commissions; in other words, mostly Order in Council appointments. In fact all of them are. That is a completely separate group now from the public servants. If the minister understands me correctly, am I to understand that the bonuses for both those groups will be removed from April 1, 1991 to March 31, 1992, for that working period? Did I understand him correctly when he stood up in the

House that that is what he said? Is that correct, I am wondering, Mr. Chairman? Is that correct, or is it not correct? If it is correct, it is *oui*, it is yes, and that will settle it.

Mr. Loiselle: But with a nuance, if I may say so. It is that the calendar year is not exactly the same for both groups. For the Crown corporation it is April to April, as he has said. So, zero salary, and at the end of the year zero bonus. For the managers, it is June to June. So, they have zero since June and when the time comes after that period to get their performance pay, it will also be zero.

If I may, on the other point raised by the hon. member—

Mr. Baker: Just for one year? And everybody loses it as soon as—

Mr. Loiselle: Yes, exactly. The hon. member talked a lot about the performance pay, and he said that I had decided that people who work in Newfoundland would get less. Not at all; they may get more, for all I know. What we say is that we try to adjust a certain number of our categories of employees, a very small number in all, if I may say so. Because out of a quarter of a million employees there are 26,000 to whom these regional pays apply, in nine occupational groups. This policy which, from listening to the comments of the hon. member sounds so horrible, must not be so horrible because it was implemented by the Liberal government.

If I may go on and explain why we maintain this. First of all, when there are occupational groups for whom the outside pay data indicates significant regional variation from the Canadian average, this is taken into account. Where you have occupational groups where the area of recruitment and the mobility of employees in the Public Service is limited, and when occupational groups for which regional rates would contribute to the achievement of fair and competitive rates of pay in the labour market, these are the elements on which we base our decision. In my view this is a fair approach.

• (2000)

On another aspect of the issues raised by the hon. member, he said that since we arrived in power the service has gone downhill. I would like to remind him that when we came to power, for every dollar that Canadians were paying in taxes, the Liberal government was spending $1.33.

They were playing at being Father Christmas, which is all right for a while, but obviously, at one time or another, one has to face this reality and one has to act accordingly and try to bring one's expenditure within one's capacity to pay.

This is what we have been trying to do, I must admit with great difficulty. The opposition has opposed every one of our proposals to try to bring our fiscal situation to a better position.

Basically, we are trying to improve service, to find new ways of providing services, and to use the best possible methods. I think that we should be commended for this. In the reform program I introduced in the House, PS 2000, it says that people are looking behind their backs at the bosses, and so on. This is what we are trying to change. We want to empower people and allow them in the regions to get on with the job, find good people, help them get the best training, and then let them get on and not have Ottawa on their back all the time.

This is what we are trying to do because we find it is a good way of using our good employees.

The Assistant Deputy Chairman: Shall Clause 2 stand?

Some hon. members: Agreed.

The Assistant Deputy Chairman: Does the hon. member for Nanaimo—Cowichan wish to speak on Clause 2?

Mr. Stupich: Mr. Chairman, I would prefer to speak on Clause 10 but if two more Liberals want to make free speeches we will never make it to Clause 4.

An hon. member: What do you want to do?

Mr. Stupich: Call it Clause 10 if you like.

The point of my conversation, Mr. Chairman, is ask a couple of questions and I will be brief.

The Assistant Deputy Chairman: I think it is very important to remind all hon. members that on Clause 2 the—

[*Translation*]

—discussion is very broad and open. However, when we reach clauses 3, 4 and 5, comments will have to be much more succinct and deal exclusively with these specific clauses.

As long as we are considering clause 2, the discussion is wide ranging. The hon. member for Glengarry—Prescott—Russell on a point of order.

Mr. Boudria: Mr. Chairman, I would like to make sure I understand the point the Chair is making quite clearly. As far as I can gather from the discussions the three parties had in this House before noon, the amendments were to be tabled and members would then be allowed to refer generally to any of them at any point in tonight's debate.

If the Chair is now saying that, as soon as we are through debating clause 2, discussion will be limited to the content of the clause under consideration at the time, I think that will be more of a problem and that some members may depart from clause 2. As a matter of fact, we were told this morning—if I recall correctly and I would ask for advice from the Chair—that we could address the issue in a much broader way than we normally do as we are dealing with a special order of the House.

Could the Chair please clarify that point for us?

The Assistant Deputy Chairman: It is quite simple, but first, I will hear the hon. member for Gander—Grand Falls on the same point of order.

[*English*]

Mr. Baker: Mr. Chairman, if I might just speak to that point of order, I can understand your difficulty. On the one hand, as I interpret it, the rules of procedure apply to motions. In effect, all of the motions have been presented to the Chamber. Since all of the motions when they were laid on the table are taken as presented to the House and before the House, that is my understanding of what happened in the Chamber today. Every motion that was tabled was actually before the Chamber because if they were not before the Chamber when they were tabled then you cannot vote on them.

They must be before the House now. It is a very irregular procedure that has been adopted by the government. The Government of Canada, in trying to wrap up all the debate in one day, has practically destroyed the whole logic behind motions and when one can speak to them and what one can say and what one can amend.

Mr. Chairman, I can understand your difficulty, but I do believe that all of the motions are presently before the House. The hon. member down here with the NDP should be permitted to speak on any of the motions at any moment in time.

[*Translation*]

The Assistant Deputy Chairman: I thank the hon. members who just spoke. I think I can sum up what everybody is thinking by saying that as long as hon. members stay on Clause 2, they can address the whole of Bill C-29, any clause, any amendment. In other words, the discussion remains wide open as long as we stay on Clause 2. If this is the way hon. members wish to proceed, the Chair will just accept it.

So, in that perspective, I recognize the hon. member for Portneuf on a point of order.

Mr. Ferland: On a point of clarification. There are some twenty-five clauses in this bill. We have till 10 p.m. tonight, in fact we have two hours left to adopt the twenty-five clauses. I understand that if the twenty-five clauses have not been read, at 10 p.m., they will be deemed as having been read, considered and discussed by members of Parliament. Is that correct?

The Assistant Deputy Chairman: That is correct.

Mr. Ferland: That means, Mr. Chairman, that if we stay till 10 p.m. on Clause 2, Canadian citizens will not be able to get from the President of the Treasury Board explanations on twenty-three clauses of this bill. Is that correct?

The Assistant Deputy Chairman: Yes, being understood that on Clause 2, as I just said, hon. members can talk about any clause and any amendment tabled during the day. So, as you can see, the rule has been made very flexible to allow for the widest discussion possible, even if we stay on Clause 2.

[*English*]

Mr. David D. Stupich (Nanaimo—Cowichan): The President of the Treasury Board said, on repeated occasions earlier today, when he did not answer a question that was put to him by two of my colleagues, that: "All we were trying to fight, or combat, is the deficit."

The deficit this year is expected to be somewhere in the neighbourhood of $34 billion. All of the members of the alliance, all of their salaries put together, if they were to donate that back to the government for a full year, that would total something like one-seventh of the deficit. There would be a lot to make up from other sources. This is a pretty weak way to attack the deficit if that is all we are doing, if that is the only effect. What we are looking at is only a small portion of the total bill for the employees in the alliance, rather than the total thing.

That was not really the point I wanted to make. We are talking about a total salary bill of $4.8 billion. If all of those people who were to get the expected increase in inflation this year, which at this point is running at about 6 per cent, it would total $288 million.

Currently, we are spending $1.2 billion keeping our troops in NATO. I wonder if the President of the Treasury Board gave any consideration at all to speeding up the withdrawal from NATO, which is scheduled to take place in 1994 and 1995, so as to take one-quarter of that amount of money back this year, so that he could meet even a 6 per cent increase in wages paid to the employees. Did he give any thought to that, in view of the fact that the U.S.S.R. armed forces are leaving just as quickly as they can find transport and alternative accommodation back home? That is one possibility.

I just have one other question, Mr. Chairman, and then I will let the President of the Treasury Board answer. There is an alternative.

• (2010)

The Department of National Revenue—Taxation estimated that each year the Crown is losing $1.2 billion through inadequate enforcement of the Income Tax Act. One can only assume when it made that public it knew people would hear about it and wonder about it, and that in one way, it was simply asking Treasury Board to approve the hiring of more auditors.

Now consider that $1.2 billion, and once again one-third of it would be enough to give a 6 per cent increase to all of the Public Service Alliance employees, and have $12 million left over. Did the President of the Treasury Board actually receive such a request from the Department of National Revenue, that is to hire more auditors to close some of this leakage, and turn it down, or did he never hear from DNR when they wanted more auditors?

Mr. Loiselle: Mr. Chairman, the hon. member has come forward with a couple of proposals that I will try to deal with.

He talks about NATO. I do not want to get into this debate, but I can explain to him that should we accelerate any changes he will know very well that, for the first year, it will probably cost us more money than it does now. It is always a difficult and costly operation to make such a transformation. So I do not think there is any savings there to be accomplished.

We have already indicated otherwise that we are proceeding with some changes in Europe and they will be dealt with as expeditiously as possible. We can say that they have already been booked and provided for.

As for the Department of National Revenue, we have, indeed, granted additional persons to tighten up and make sure that there is a better enforcement. But I would also like to remind him that members of his party have been getting up, over the last little while, talking to us about bankruptcies. Much of the reasons why we have this income tax which is theoretically due, but cannot be easily collected, is because of that. This is an impact when companies or individuals are in difficulty and cannot meet their obligations. So we have granted additional human resources and a budget to do that.

I would say that in the bill that will be introduced, if it has not been done so by my colleague, the Minister of Finance, on the spending limits, we make provisions for spending which brings in additional revenue. We will certainly look at that as one way possibly, but again I would say that we have tried to have as efficient an organization as possible. We tried to improve enforcement, but this is an end of a recession and of course it is not always easy to collect all the money which is owed the government.

Mr. Stupich: Mr. Chairman, I thank the minister for his answers, but I would remind him that, as late as the Auditor General's latest report, he was still complaining about the shortages of auditors and pointing out that an extra auditor could bring in something like $375 million or $750 million, depending upon the area of his or her investigation.

I do not expect the minister to have this information at his fingertips right now, but I would like to know by how many the audit staff in National Revenue was increased in each of the last three years.

With respect to bankruptcies and the like, yes, we have been complaining about the way in which government policies, in part the free trade deal itself, the high interest rate, the high dollar, all of these things have certainly exacerbated the situation as far as companies going bankrupt is concerned. But my colleagues have not been complaining quite so much about that as they have about the large corporations that are able to evade or avoid tax. That is where the auditors, according to DNR itself, Department of National Revenue—Taxation, feels that it could be getting a lot more money in, not going after the ones that are going bankrupt, but going after the ones that are doing very well in living close enough to the rules to get away with it.

Mr. Loiselle: Mr. Chairman, I think I heard this from the NDP source, large corporations are running away. They fail to recognize that this government is the one that imposed a minimal tax on capital, which had never been done before. We have closed about 200 different loopholes which existed. So we have done our share.

As for the number of corporations or so-called companies, most of them are small companies that are marginally profitable and have great difficulty carrying on. We can put the pressure on them and have more of them go into bankruptcy.

The banks and the financial institutions for the first time have a minimal tax on assets. This brings in $2 billion. It was not there when we came in. We have not been giving any gifts. The hon. member mentioned, and it is frequently heard, high dollars.

One of the reasons we want to tackle the deficit and the debt, and it is not that it is fun per se, is because it is one of the major causes of the high dollar. We are all borrowing heavily.

The provinces, in the first six months of 1990, have gone on foreign markets and have borrowed $10 billion in foreign currency. This currency, in turn, is changed into Canadian dollars and so there is a huge demand for Canadian dollars and the price goes up. This is the reality of it.

It is very interesting. You can sit down, not invest in a company, buy government certificates and go sit in Florida. We want to change that. We want to make room for entrepreneurs. We can find cheaper money.

This is why we want to fight the debt and the deficit, not for the fun of it, but because it is central to the well-being of Canadians and a sound economic policy is necessary. It is tough because we get requests from the NDP to spend, spend, spend.

I repeat that next year we will paying $41 billion on interest on our debt. This is horrible. Should we increase it more? Where will we get the money? That is the problem we have to deal with, and we are trying to balance these various responsibilities as well as we can.

Mr. Ross Harvey (Edmonton East): Mr. Chairman, I deeply regret that this is not the appropriate time to engage in a discussion of macroeconomic policy and that sort of thing.

I would just note in passing that given the minister's remarks of a few moments ago, he and his government must find it strange given the rigorous treatment that he claims they have given to their allies in the corporate sector, that in spite of this, the relative proportion of taxes paid by corporations continues to decline and that paid by individuals continues to rise.

I wish the government success and solace as it works its way through the puzzlement in this regard.

I would like to take this time in a fashion started by my friend and colleague from Nanaimo—Cowichan to pose a series of questions to the minister. These questions will be presented at the table and I understand that answers will be forthcoming.

It strikes me as a useful exercise that these questions be put in the public record and be made part of this debate tonight.

If I may proceed, sections 3 and 4 have already been covered by my colleagues, and I wish to start with clause 5 of the bill and ask the following questions with regard to clause 5, which extends the collective agreement existing on February 26, 1991 for a period of two years.

(1) To which contracts do this clause apply?

(2) How many workers are affected?

(3) What are the wage rates for the workers affected by this clause?

(4) By this clause, is the government suspending free collective bargaining for a period of two years?

(5) Is this not a violation of International Labour Organization Convention number 87, and perhaps other conventions?

(6) How many times since the signing of the ILO conventions has the government been found to have been in violation of ILO conventions?

(7) Why is the government persisting in this bill when it must know that it is yet again in violation of ILO conventions.

(8) Is this an indication of the government's attitude toward international conventions which it is ostensibly bound by?

(9) Is the minister aware that the Government of Canada has violated ILO conventions more often than any other country?

With regard to clause 6, which extends the collective agreement which had expired on or before February 26 for a period of one year:

(1) Would the minister explain this clause?

(2) Is it not usual that when two parties negotiate a collective agreement they mutually establish an expiry date?

(3) Has the minister chosen to apply the hammer of this legislation rather than negotiate those expired agreements covered by clause 6?

(4) Is this clause included because the minister has no faith in the collective bargaining process?

(5) Possibly this clause is included because the minister is uncertain of the ability of Treasury Board to negotiate?

(6) Does the minister consider pre-empting free collective bargaining for expired agreements without exhausting all avenues available, including mediation, to be fair?

(7) Will the minister be abandoning free collective bargaining in the future and merely imposing collective agreements?

(8) Does the minister not consider his failure to reach a fair agreement through collective bargaining a failure in his role as minister?

(9) If not, does he not then consider the need for this legislation a failure of the process?

• (2020)

With regard to clause 7, which provides that any settlement reached by a decision of the Canadian Human Rights Commission on pay equity will be excluded from the restraint measures of the act, as well as other provisions:

(1) Does this act apply to any pay equity settlements ordered by a Canadian Human Rights tribunal?

(2) Will the minister continue to appeal decisions set out by the Human Rights tribunals concerning pay equity?

(3) Does this clause mean that the only way pay equity will be included for workers caught in this act will be through a complaint to the Human Rights Commission?

(4) How many workers are eligible for pay equity increases?

(5) How much money is the government saving annually by failing to implement the 1977 pay equity legislation fully?

(6) Has the government taken into account that it would immediately realize approximately one-third of pay equity payments in the form of taxation?

(7) Would the pay equity increases not stimulate the economy through those workers who are eligible for pay equity having more disposable income?

(8) With specific regard to subclause 7(2), what are the parameters under which Treasury Board will be establishing its opinion in respect of a conversion, in respect of a revised classification?

(9) With specific regard to subclauses 7(3) and 7(4), under what circumstances might this clause be implemented and is this clause another attempt to pre-empt bargaining?

(10) With specific reference to subclause 7(6), does this include future work sharing agreements?

(11) What employees will be affected by this clause?

(12) How many employees will be affected?

Moving on to clause 8, which provides for changes to the collective agreement by mutual agreement for non-wage settlements to that collective agreement. Questions:

(1) Does the minister intend the Treasury Board and the Public Service Alliance to return to the bargaining table to negotiate non-wage items?

(2) What would be included under non-wage and conditions of the compensation plan?

(3) How many non-wage, non-compensation items are still outstanding at the various tables?

(4) If the parties are unable to effect an agreement on these items, does the minister plan to appoint a mediator or an arbitrator?

(5) Does the minister consider pay equity matters to be included within this clause?

Moving on to clause 9, which imposes the zero per cent wage increase and the 3 per cent wage increase for the second year of this—

[*Translation*]

Mr. Charles Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): On a point of order, Madam Chairman.

The Chairman: The hon. member for Manicouagan on a point of order.

Mr. Langlois: Madam Chairman, I am very much interested in this debate tonight and I would have liked to take note of all the questions the hon. member is asking, but he proceeds at such a pace that it is impossible for members on this side to hear, let alone understand his questions. I will have no choice but to ask him to repeat his questions or else to write them down for me, Madam Chairman.

[*English*]

Ms. Langan: On a point of order, Madam Chairman. I think we have already indicated that we would be providing the minister with copies of these questions. It is our understanding that in the past the discussion in Committee of the Whole was to question the minister. Because this Committee of the Whole has turned into a debate, we wanted to be sure that we did have an opportunity to raise these questions and would obviously have to be satisfied with answers to these questions at a later time.

We have told the minister that we would provide him with the questions in written form.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Chairman, all what we hear might be true, but the fact is that for interpreters and other peoples who do their best to interpret what is being said, it is almost impossible to work at the spead the member is reading his text. And those, in this House, who want to listen in French to what is being said or even people at home and people who receive the electronic signal have the same problem. So I think we should ask the member to read his text so that it can be interpreted at a reasonable spead because, honestly, I cannot see how anybody can interpret at that speed. It is ridiculous, madam Chairman.

Mr. Jean-Marc Robitaille (Terrebonne): Madam Chairman, given the great interest of the questions raised by my colleague of the NDP, I would greatly appreciate if it was possible for him to start all over again, since the translation was hard to follow for those who are more fluent in French. Could he repeat his questions from the start because we find them very interesting and we would like to understand them.

[*English*]

The Chairman: I realize that the hon. member for Edmonton East was also following in French what was being said. It would be appreciated if maybe we could make it possible for everyone to understand who is interested. It was slightly, I would imagine, difficult for our interpreters to follow at this rhythm. Let us all make an effort and I am sure we will be able to understand. It will be appreciated if those questions can be given in writing to the minister and the other member.

The hon. member for Edmonton East.

Mr. Harvey (Edmonton East): Madam Chairperson, first of all I wish to assure you that written copies of the questions will be supplied both to the minister and to the Table. I do apologize for perhaps speaking with too much celerity to now. It was only my attempt to husband closely the time of the House. I have sent most of the remaining sheets, save three, of questions that I have out to be photocopied and will supply the translators with photocopies which I hope will aid in the process. I will try for the remainder of these questions not to conduct myself with such *vitesse*.

Moving then to clause 9, which again imposes the zero and 3 per cent caps. The questions for the clause are one, if the wage increase is zero per cent, is this clause extending that increase retroactively? Two, does the minister consider zero per cent to be fair in light of average settlements in the private sector, settlements that in 1990 averaged 5.9 per cent? Three, does the minister consider zero per cent to be fair in light of the cost of living projected to rise by 5.8 per cent? Four, does the minister consider having 20,000 workers in the public sector earning below the poverty line to be fair? Five, will the 3 per cent—how about those people who are losing their jobs, the hon. member asks.

The unfortunate fact of the matter is that the government seems to have created this dichotomy. I am advised not to rise to debate.

Five, will the 3 per cent in the second year be calculated on the base rate after pay equity has been added? Six, does the minister consider 3 per cent on his salary of $143,000 which would amount to $4,300 as opposed to 3 per cent on a worker's salary who earns $20,700 which would amount to a mere $621, to be a fair arrangement? Seven, if the minister requires at least 40,000 workers to be essential, does he not believe these

workers are important enough to be fairly compensated? Eight, does the minister just consider these workers to be numbers on a balance sheet as opposed to being individual people who labour on his behalf and on behalf of us all?

• (2030)

With regard to clause 10, which allows for the payment of retroactive wage increases for three groups which have reached agreements with the Treasury Board, these groups will fall under the zero to three per cent guidelines after the expiry of any agreement reached.

(1) With regard to subclause 10(a), does this clause mean short-term gain for long-term pain by those here covered 10?

(2) How many workers fall under this clause?

(3) What are the departments and classifications covered?

(4) When do these agreements expire for the zero and three to kick in?

(5) Will there be layoffs attached to the wage increases this year?

(6) Will there be layoffs attached to the 3 per cent future increases?

With regard to subclause (b) I would like to ask the following:

(7) Who would be in the "any other case" category?

(8) Will there be any layoffs attached to 4.2 per cent increases mentioned in this clause?

I do hope the photocopying gets back quickly. Clause 11 of course allows for any arbitration award to hold subject to the wage guidelines imposed by Treasury Board. It is intended to accommodate those agreements reached between February 26, 1991 and the tabling of this bill.

The questions with regard to this section are:

(1) Do lines 10 to 15 mean that regardless of what has been agreed to between February 26, 1991 and the tabling of this document Treasury Board may arbitrarily adjust wages up or down?

(2) Can the minister explain just who is Treasury Board in this clause?

(3) Dealing with subclause 11(2), does this clause mean unions were forced to waive their collective bargaining rights for two years following expiry of current agreements?

Clause 12, one of my personal favourites, concerns administrative aspects of the bill. The questions for subclause 12(1).

(1) Does Treasury Board normally have the powers and duties of clause 1?

(2) Is this clause stripping the Public Service Staff Relations Board of its duties and functions?

(3) Is Treasury Board taking on the role of collective bargaining cops?

(4) With regard to subclause 2, does the Public Service Staff Relations Board not normally receive information and documentation to determine compliance with acts relating to government workers?

(5) Does this clause make the Treasury Board the anti-inflation board of the nineties?

(6) With regard to subclause 3, what form would these directives take?

(7) If the employer continues to fail to comply, what are the consequences?

Moving to clause 13, which provides for any agreement reached outside the confines of the act to have no force or effect, the questions are:

(1) What are the wage rates, although we might appropriately these days talk of rage rates? However, the question is what are the wage rates that public sector workers but for this act have received?

(2) Will the minister not agree that this clause is redundant?

Moving to clause 14, it provides that no bargaining agent or representative or officer of a bargaining unit shall advise the continuation of the strike if there is a strike and no employee shall participate in a strike.

With regard to subclause 2(a) which defines condoning or acquiescing, I would ask the following:

(1) What kind of notice is the bargaining agent required to give?

(2) What does immediately mean? The next shift, half way through a shift, the next day? What is the notice period, given the use of the term "immediately"?

With regard to subclause 2(b), the questions would be:

(3) What does the minister consider to be reasonable steps, reasonable being the term used in the subclause?

(4) What if those reasonable steps fail?

(5) Is the union being set up to be a cop for the government?

(6) Has it occurred to the minister that he can legislate these people back to work, but he cannot legislate work place morale?

With regard to subclause 2(c), the question would be:

(7) What might "anything" be? What would the minister see to be encouragement not to resume the duties of their employment?

(8) Does the minister not consider his handling of these negotiations to be all the encouragement some workers might need to fail to resume the duties of their employment?

Clauses 15 to 17 impose fines of a maximum of $100,000 per day on the union for the continuation of a strike, fines of a maximum of $50,000 per day on representatives of the union, and a maximum of $1,000 per day on individual members participating in a strike.

With regard to clause 15, the questions are:

(1) Does the minister not consider his role in this bargaining and the inflamed situation he has created to be at least equal to that of the bargaining agent?

(2) What will be the minister's penalty for his role?

With regard to clause 16, what will the minister be doing to determine if representatives or bargaining agents contravene clause 14?

(3) Will the minister commission surveillance teams to use listening devices, peek in windows, and follow these people? Perhaps CSIS or the RCMP, groups that are also embraced by the legislation.

With regard to clause 17, one question: What would be a legitimate excuse for not returning to work at the prescribed time? Or, is there any excuse that would be deemed legitimate? Surely there must be some.

An hon. member: Death, probably.

Mr. Harvey (Edmonton East): I am not even certain they would accept that.

Clause 18, which declares the bargaining agent to be a person, the question is: Who might that person be?

Clause 19, failure to pay the fine will not result in imprisonment. The question is: Is this clause included because the minister is worried that the jails are not big enough to accommodate all those workers who just may be angry enough not to comply?

Clause 20, which provides for the failure to pay the fine, will result in Treasury Board recovering the amount of the fines from the check-off of union dues by the employer.

On subclause 20(1), the questions are:

(1) The minister should be given credit for creativity. Obviously he does not want any martyrs, but does the minister not consider this section to be unadulterated union busting?

(2) The union will be penalized by withholding of union dues by this government for fines that may be accrued by angry individual union members, even though the bargaining agent may have made every effort to get the individual to return to work. Is this fair?

With regard to subclause (2), the questions continue at number 3. It is a handy section. The minister whips the workers into terrible anger, beats them up with back-to-work legislation, fines them for any defiance, and then collects union dues from their paycheques and it goes back to the government. Is there not a tiny bit of conflict of interest here?

(4) Would the minister not consider it fairer to apply those dues to pay equity adjustments for those workers entitled to pay equity?

With regard to clause 21 which allows the Governor in Council to add departments not already covered to the application of the act and with regard to subclause (a), could the minister explain just who he might have managed to miss in this legislation?

With regard to subclause (b), again which agencies, boards, commissions, or Crown corporations is the minister referring to? The third question: Is the minister suggesting the government has not done its homework and so finds it necessary to write a clause that includes anyone else who might turn up?

Finally, and I know this comes as welcome news to everyone in the House—

Some hon. members: Hear, hear.

Mr. Harvey (Edmonton East): I trust I am not going too fast.

With regard to clause 22 which allows the Governor in Council to terminate the application of the act with regard to any particular employee or group, the questions are:

(1) Under what circumstances might this section be implemented?

(2) Is there some faint hope implied here that the government might suddenly understand that 20th century industrial relations preclude blaming workers for bad fiscal management?

(3) Is this another escape clause for the government to help its friends?

(4) Does this mean after this legislation is passed the minister might cherry-pick his way through and lift this legislation for some, maybe for department heads, or deputy ministers or some other group the minister favours?

Those are the questions that will have been placed on the table and will be provided to the minister to which certainly we crave answers, answers to which in our submission all Canadians are entitled.

• (2040)

It is unfortunate that such answers will not be forthcoming prior to the final consideration of this bill by this House, because the answers might, just might, cause some of the members in this House to rethink their opinions with regard to this bill. It is a long shot, but as a New Democrat from Alberta I am used to long shots.

Before sitting down, which I know is the event at this point most hon. members are having the greatest hope for this evening, I would like to point out just two things. First, even allowing that this bill is obscenely unfair on the face of it, there are provisions within it that render it obscenely unfair squared, raised to the second power. I refer specifically to subclauses 7(2) and 3(4).

These clauses together allow the government at whim to exempt virtually anyone it chooses, any group of people, any area of the Public Service, any individual. The government clearly has no intention of achieving fairness even in the application of this odious bill.

The Chairman: I am sorry, I will have to interrupt the hon. member. Considering that we have a 20-minute time period for interventions and taking into consideration the time which was involved in points of order, there is not even time for the minister to ask a question of his own.

The 20 minutes being completed, I would need unanimous consent to allow the minister to—

Mr. Loiselle: I would only say that of course I will take these questions into consideration, but my guess is that if I were to average my answer it would be no.

Mrs. Diane Marleau (Sudbury): Madam Chairman, I rise here to speak to this back-to-work legislation. I fear I do not have the knowledge of clauses in the bill that my predecessor has. However, I must say that it is not the clauses that bother me as much as the whole bill and the politics behind the bill.

This is not a bill based on rules. This is the Conservative philosophy of politics based on power, sheer power over who is going to do what, who is going to listen to whom, and who is going to be the patsy. I think about the poor person who will bear the brunt of this government's terrible legislation.

I would venture to say that it is not going to be this government's and I say Conservatives' powerful friends, absolutely not. They would have us believe that this is a bill to fight the deficit. Maybe it will fight the deficit, but it is not really about fighting the deficit. It is about who is going to pay the price. That is what this is all about.

How can they talk about controlling the deficit? On the one hand they have money to pour into the Spicer commission that travelled the country first class. I mean, hey, these were all friends of the government; this is fine, there is no problem, expense has no limits. Do you want to live in a first-class hotel? Who are we to question? You are working for the Conservative government, the holiest of holies.

On the other hand, you have the poor typist over there. Well, I am sorry, you cannot have an increase because we have no money; we are so pure and we do not spend money on ourselves.

"Forget the fact that the day before the budget we voted bonuses and pay increases for our top management. I mean that was last year and they were our friends. We have to look after our friends." This is about power, let nobody forget this. It is about power. I have no illusions because power knows no rules. When you are in power and when you want to have the upper hand and you have it, you do what you want when you want. It has nothing to do with people. Rules have to do with people.

Where are the rules in this one? You have a budget and you announce 0 per cent, 3 per cent and 3 per cent, and we are a perfection. You go to your backbenchers and you say: "You know we have to fight the deficit." I have to tell you that in my previous occupation I understood about deficits, yes, and I commend you in your fight for the deficit. I believe that we have to control the deficit, but not at the expense of the poorest of the poor, of the lowest wage earners. Come on now. If you had led by example, I would have been the first one to say what great people you were. That is the worst mistake of all. How can we go to these people and say to them: "I am sorry, we have no money for you. We have money for everybody else and we have had money for everybody else." All of a sudden, notice there is an election in B.C.: "We have money for the KAON TRIUMF project, don't we." Do we have money for that KAON project?

Some hon. members: Yes.

Mrs. Marleau: Sure we did. Now we are going to move something to Saskatchewan, there is an election there.

Mr. Boudria: Oh, that is a coincidence.

Mrs. Marleau: Coincidence, purely coincidence. We have money for those things and I expect that there will be money for other pet projects of this government.

This is not co-operation. This is power. It is saying: "This is what I like, this is what I don't like. These are the people who are expendable." That is wrong.

These people across the way talk about being in tune with business. I come from Sudbury, which is perhaps the union capital of Canada if not the world, and the big businesses in my municipality learned a long time ago that the worst thing that you can do is turn everybody in the union off by decreeing that it shall be that way and going out and spending the money the way you feel like it. All that does is create more problems.

How, when you are in business, can you expect people to work for you in a good and in a happy manner and be productive? Productive is the word of the 1990s. You have to be productive and you have to be competitive. How can you be happy and do these things when you are being ordered from above? How about co-operation? How about conciliation? Why not appoint a mediator? Why not? There is nothing wrong with that.

I know we are proposing that kind of a motion. There is nothing wrong with that. I know the government is afraid that it is going to cost it a little bit more. Just cut back a little bit on some other expenses on the other side, some of your friends over there, some of the contracts that you let out. That is the other sham about this whole thing: "We have cut back on civil servants, are we not good?" We forget we have got all these contractors on the side and they cost as much. You do not have control over how much that costs you. Every time you subcontract it is take it or leave it. You have no choice at that point.

Do not tell me that you run a tight ship just because you have got numbers to prove it. There is creative accounting and then there is magic of accounting and you can make things say beautiful things if you want to and it is all in the eye of the beholder if you can manoeuvre it.

I ask the minister one question: Why will he not consider a mediator? Why not? I think it is a very important point.

Before I sit down and let you answer that question I have another one, a big one on my side.

The other question is: How are you going to control costs of the subcontracts you let out everywhere? You just tell me for one second how you are going to control the costs? How about the cost of the advertising that you have?

• (2050)

I notice that all of a sudden there is money for a big advertising campaign because it is going to make you guys look good. Believe me, I can understand you need to look good. I believe it. You really are in need of looking good.

That is not going to help you, because you are misjudging the people of Canada. They know what this is all about. There is a new reality and that is that people are aware. You cannot treat them like fools. They understand. They really understand.

The other thing about pay equity is that everybody bandies pay equity around but it is a real thing. It is not a make believe project. Why does it have to be part of negotiations? If you are worth something, you are worth it. You should not have to negotiate for it. What is this? I understand about being a woman and sometimes having a bit of a rough time. I can take that. I can take it from you because I can dish it out as well or better. That is okay.

There are many people out there who need to have that recognition. I ask: when and why is that a part of this package? It is like the inherited right to self-government by the native people. It is a right. Why does anybody have to negotiate it. It is there. Why do we need to have an understanding about it?

These are some of my questions, and I really am preoccupied with these things because I feel that you are trying to impose your will. You are being sanctimonious about fighting the deficit and the debt. What kind of grand gesture are you prepared to make to convince first me, and the rest of the people out there, that this is not just using lower echelons of the Public Service to achieve your ends while at the same time controlling the agenda, controlling what comes to you and your friends?

Mr. Loiselle: Madam Chairman, this all sounds very good but I wonder what the hon. member will say when I tell her that Liberal governments in Canada have done worse.

We have negotiated for 90 days, and this week we had 35 sessions. Clyde Wells did not negotiate 90 days. He legislated zero. New Brunswick legislated zero. Some governments have done it for two years. We tried to negotiate with our members.

Far from doing the power trip you describe, we could have done it easily, we sat down and negotiated. This is the difference between them and us. Today, we are being reproached for going on a power trip. That is easy. We just order it. We could have legislated zero at budget time.

Mrs. Marleau: You did.

Mr. Loiselle: We did not. We said we would introduce legislation if the need was there to negotiate. There were many other aspects that could be offered in a deal. We sat with our unions and tried to make a deal. We worked at it this week again during 35 different meetings. We made new offers on Thursday that were not even considered.

Basically, if we are a Conservative and if we try to reach agreement on the basis of zero, three, we are terrible people. If a Liberal had dictated that through legislation, it is good I suppose. This is why I do not accept at all this nonsense about looking for power. It would have been easy to use power.

We tried negotiating within a very difficult framework, therefore she said that we cut back but we spent more money by giving out contracts. Why have we managed to turn around a $16 billion operating deficit? We could not even pay the salaries. We had to borrow money. We turned it into a $14 billion surplus. It is a $30 billion turnaround. This is what we have done, and we are very proud of this.

Mrs. Marleau: I listen to this and I think to myself, where does he live?

Did you not listen to your own leader's budget speech? I was sitting here. I heard 0, 3 and 3. We will bring in 0, 3 and 3. We will allow you to legislate. That is like holding the gun to the head and saying: "We will not let you talk to us. Say exactly what we want, or else, pow." What kind of negotiating is that?

You talk about the provinces and say: "They gave 0 per cent." They negotiated. They did not decree first and then say nothing to anybody.

They did not give everybody else a big raise and then turn around and say "no way". There is a difference. Wake up, wake up. How many more polls do we need to have in this country for this particular government to wake up? The people of Canada want you to listen and to co-operate and stop with this decree. That is no way to govern. That is not democracy. Just because you say so does not mean it is right.

I was at a number of functions this weekend in my riding and one of the things they said was "why can these people not sit down with you and talk reasonably?"

An hon. member: They don't know how.

Mrs. Marleau: I agreed: Why? It is a frustration out there. I know you mean well and I am going to give you credit for that; I know you want to do well, but you do not know how. You talk about past governments and past deficits and past all this stuff. I have to tell you that since you have been in power you have had some of the best growth years. As a matter of fact, before the election in 1988, how crass can you be? You loosened up your fiscal policy, you let the interest rates come down, you brought down the income tax rate, and you went on a free for all. You paid and you bought and you gave and you had a great time to try and get re-elected. You did not win the election on all those giveaways before the election. That did not win it for you. What won it for you was the free trade debate and the outside influences which came and actually bought and scared people into voting for free trade. You did not even have a majority there.

What I want to say is this: As soon as the election was over and this government came back in 1988, all of a sudden you had a tightening of fiscal policies and you had an increase in everything. Then we had to have a recession, we had to have a recession.

When are you going to start taking responsibilities for your own actions? I am not saying we have always been perfect, but what I am saying is you are not either. Let us sit down and work at this together because this is our country; this is not just your country, this is our country and we want to make the best of it. It is high time that you realize that this is a two-way affair. I do not want to blame you for all my troubles and you should not blame me for all of yours.

I think you should take your responsibilities and start admitting that there are times when even you have made mistakes. I am willing to admit that we have made mistakes, are you willing to admit that you have made mistakes? Obviously, this is a big mistake you are making now, because when you have legislated these people back to work what kind of productivity do you think they are going to give you? What kind of love of their job do you think they are going to give you? What kind of Public Service 2000 are you going to have? Do you think we are going to have this whole new public service in which we are going to be very good and we are going to give you authority? Authority to do what? To do nothing.

I am asking you, how do you expect Public Service 2000 to work when this is all over? Are we going to end up worse off than we have ever been because you had one of the best unions working for you? It did not demand high settlements. It has taken less than the average for the last number of years. What have you done? You have turned it from a very reasonable union to this very unhappy, terrible force that is taking over. What have you done with this confrontation? How are you going to solve these problems? Putting them back to work is not going to solve your problems.

What kind of programs do you have? After you have decided and decreed them back to work, what are you going to do then?

Mr. Loiselle: I would like to go back to a couple of examples of similar actions that have been taken in Canada to help the hon. member understand that maybe we had to deal with a very difficult recession at budget time and we wanted to do our share.

Madam Deputy Speaker: On a point of order, the hon. member for Ottawa West.

Mrs. Catterall: Madam Chairman, we are in clause-by-clause consideration of a certain Bill C-29, not bills that have been passed and disposed of previously. The minister has been asked questions specifically relating to Bill C-29. I believe under the Standing Orders of the House he should confine his response to providing information to the House on the clauses of the bill before us.

• (2100)

The Chairman: I am sure the hon. minister will come to things that will be totally relevant to the bill in front of us. The hon. member, who has been here all day, I am sure will admit that everyone has been using clause 2 to go fairly far on points that were outside of the bill. Even the hon. member's colleague from Glengarry—Prescott—Russell will agree with me.

Mr. Loiselle: Madam Chairman, I understand that hon. members have been a little all over the place. My feeling is that we had agreed that we would proceed this way. I also have been answering these questions all over the place. I was trying to explain to the hon. member, who questions the philosophy behind our action, so she would understand why we did it. This is extremely important for our bill.

We were faced with a very difficult situation, much more difficult than that of Newfoundland, for example, where our debt is much higher, our deficit is higher. Therefore we had to take tough measures. But we were not as tough as Newfoundland, and I do not hold it against them.

It is very relevant that the premier of Newfoundland, the government of that province, passed an act in April 1991 that there would be no salary increases, no benefit improvements. We have accepted to increase the benefits for employees.

What he did, a horrible Liberal government is it not, was cancel previously negotiated increases due in 1991–92. We did not do that. We proceeded very openly at budget time and we said that we had a mandate to go and negotiate other things. They were on the table. We negotiated for 90 days and again last week for 35 different meetings. We tried to reach a negotiated settlement and I would not like the hon. member to hold this against us.

The alternative would have been perhaps to do like Nova Scotia: a two-year freeze on wage increases. In Quebec the unions have said: "Yes, it is a reasonable thing to do in these times and places," and they have agreed to a 0 freeze for six months and 3 per cent for 12 months.

Basically, this is in the ballpark of efforts that all Canadians have to make at this time to help our country get out of this recession quickly and get on with the recovery.

[*Translation*]

The Chairman: The 20 minute period is over. The hon. member for Portneuf is rising on a point of order.

Mr. Ferland: Madam Chairman, since this morning I have been listening carefully at the two opposition parties and I must say, Madam Chairman, that I am far from being edified by these people who should stand for those who in fact have no means to defend themselves right now.

I never heard these opposition members defend the interests of the workers involved in this dispute. I heard no opposition member tell Mr. Bean that he was responsible for the loss of 4 per cent of his members' wages. Normally, the opposition members should have stood for those people. But they have not done it, Madam Chairman.

The ten days of work that those workers lost, they lost it because their union reresentatives have badly informed them, because their union representative want to play politics.

Madam Chairman, perhaps it would be time for some union leaders in Canada, rather than hiding behind workers, to have the courage to do like me and the other members of Parliament and to run for election, try to get elected here to make sure that the laws are implemented as they should be for the greater welfare of all Canadians.

They probably forgot to do something else. They forgot to say something that probably the workers and unionized members of the Public Service do not know. The President, Mr. Bean, gave his union's unionized staff at 3 per cent increase this year, but to do so, he cut 20 jobs. Probably the union members would have accepted a freeze this year to save their jobs. But it was all right. It was fine because a union leader was subjecting his union's employees to it. That is called union solidarity. But it is not really that.

Madam Chairman, it is time to let the voiceless speak. This morning's *Le Soleil* says that 609,500 people in Quebec are on welfare. There will soon be a million in Ontario. Those people do not have an average salary of $33,500 a year. They are on welfare, Madam Chairman. The opposition did not talk about it. Of course not. They say, "Take from these people and raise the salaries of those who are already well protected." Those people do not have job security.

The MUCTC will cut 500 jobs. Why? Because it seems that the union representatives do not want to accept certain adjustments to the agreement that would save 500 jobs. Sacrosanct "acquired rights" mean that those who came in before the 500 concerned are protected. They do not care about the others. I am not sure that union members care about their neighbours. However, it seems that the union leaders want to save face, not try to defend the basic interests of working people.

In my riding, Madam Chairman, it was announced that 50 jobs would be cut at Domtar at Donnacona, in addition to 53 others a few weeks ago and 35 a few months ago.

Since December 1, or perhaps I should say between January this year and next January, about 130 jobs will have been lost. That is at the paper plant. I am not counting the 135 jobs that were lost on August 2, again in Donnacona, when the Domtar insulation board plant closed its doors.

I am not talking about 500 IVI employees in Val-Bélair, the only plant in that town. I am not talking about Bois Sylve in Saint-Raymond, a small municipality with a population of 6,000. Bois Sylvex: 225 workers. Saint-Raymond Paper: 250 jobs lost. They don't talk about these people. Of course not. You think they had job security? No, they didn't. Job security was part of the collective agreement they had with the company but the company no longer exists, and that was the end of their job security. We hear the same refrain in my own riding and across Canada. These people are not defended by the opposition. What the opposition is doing here is protecting their friends. What they are doing is making political capital out of all this. That is what our NDP and Liberal friends are doing today. They couldn't care less about the bottom of the pyramid.

Well, I can tell you that at Domtar in Donnacona and at IVI in Val-Bélair and throughout the riding, those people would have accepted a three-year wage freeze to keep their jobs, three years, without making a fuss. Even that didn't help. When it was announced the plant was closing, they agreed to re-open the collective agreements. Everything was on the table. The plant was closing down. Why? Because these plants have to compete. That is a fact of life people have to live with every day in that area. I didn't hear anyone mention this in the House today. Of course not. They are defending people who are much better oganized.

The average Public Service salary is $33,500 per year. The average salary in Canada is $27,400. We are asking people who earn an average of $27,400 a year in this country to raise the incomes of those who have job security.

• (2110)

I read in today's newspaper what is offered to them. "A $500 lump sum payment to approximately 35,000 employees earning less than $27,000." But, workers in the private sector, earning that salary will not receive such an amount this year.

"Guaranteed Employment for employees laid-off as a result of contracting out or privatization." In the private sector, such things do not exist.

"A guarantee of a reasonable job offer to all other employees affected by workforce adjustments, as long as they are mobile and able to recycle." Such a guarantee does not exist in my riding.

"A commitment to assume all dental costs and to raise the ceiling for orthodontic services from $2,000 to $2,500." Such things are unknown to people in my riding, who work for $15,000, $16,000, and $18,000.

"An increase of the employer contribution to disability insurance premiums from 75 to 85 per cent." They do not know that either. When you do not have a job, it is not part of your contract.

"An increase of on-site day care facilities from 10 to 15."

"From April 1, 1992, six-week annual vacation after 29 years of service." As far as I am concerned, some people back home are now on holidays for life.

"Shift bonuses increased from $1 to $1.10 an hour and weekend bonuses, from $0.75 to $1 an hour, as well as meal bonuses, from $6 to $7." In my riding, there are people who are working and who do not get meal bonuses. Really, there are limits.

Will the Official Opposition of this House, which is supposed to defend the people without a voice, say that these high officials have a higher status than anybody else in Canada? I am not the only one who says it; in an other editorial, today, they talk about the Spoiled Children of the System. What I find sad is that Mr. Bean's behaviour has caused some editorialists to denounce public servants and workers who do a damned good job.

I have been working with people at the grassroots for 7 years. Not with the union representatives, in Ottawa, who drive around in their little car, with their expense account and salaries that the people at the grassroots don't even get. I work with people who know what it means to be serving Canadians. These people know it, except that Mr. Bean says: "If you don't walk out, we will make you walk out."

An hon. member: That is true.

Mr. Ferland: If you don't walk out, we will take care of you afterwards if we can't now. These are threats. Is that union democracy? Is that what the NDP and the Liberal

Party are defending? Is that what Her Majesty's Loyal Opposition defends, violence on the pickets lines?

Mr. Boudria: No, no. I already talked about that.

Mr. Ferland: Really, there are damned limits.

An hon. member: Right.

Mr. Marc Ferland (Portneuf): Companies, Madam Chaiman, are presently facing a terrible problem. In the Gaspé Peninsula, Donohue just went bankrupt which means loss of 600 direct jobs and 1,000 more in related industries. It is these people who are going to pay for the wage increases. They too would have accepted a three year freeze.

You have to draw the line somewhere. I think that comes a time when Her Majesty's loyal Opposition must be able to clearly tell Mr Bean: "You are organizing your people and we are not going to be a party to it." That's it, you should denounce him but you don't. He has really cost his members 4 per cent, but you don't talk about it. Then, I am going to say it. There are people working for the Public Service who live in my county and who do not agree with Mr. Bean's behaviour, not one bit.

An hon. member: In mine too.

Mr. Ferland: They have only been partly informed. People who work for the Public Service have told me: "It seems 62 per cent voted in favour of the strike, but I have never been consulted." How many are there in Canada who have not been consulted either? Their representative in Ottawa, God the Father, has decided for them, and he told them if they did not strike he would force them. This is not the way to do things, Madam Chairman. I cannot accept that in this House the majority of hon. members do not stand up for those who cannot speak here. It is unthinkable. They try to have the Canadian people believe that we want to score political points at the civil servants' expense. What do they think we are, fools? These people work with us every day. Am I going to turn the civil servants against me on purpose? Come on, it does not make sense.

An hon. member: It is obvious.

An hon. member: It is stupid.

Mr. Ferland: Yes, it is stupid to believe that. It makes no sense, but that is what they are trying to put across on the radio and TV. They have open-line shows to lead everyone to believe that everyone agrees, when we know very well that it was rigged; we know how it's done. There are specialists who know how across the way.

But there are limits! People must not be taken for fools or for imbeciles either. There are problems, due to a misunderstanding of some people who lead public servants, be they at the municipal, provincial or federal level or for school commissions; it is always the same story. They say that essential services have to be negotiated. Are any services provided by the federal, provincial or municipal governments not essential? Can anyone tell me that a government service at any level is not essential? All these services are essential. Were they not, private enterprise would provide them. It is as simple as that. They are all essential.

I think that they are quite well paid and you can compare it with anyone. But I rather get the feeling that what bothers you in the opposition most is that you are affected too; your salaries are frozen as well and you don't seem to like that. Your salaries are frozen and will go up 3 per cent next year if things are going well, as far as I am concerned. There are limits, and we are not close to being poor.

But, you seem more disturbed by the fact that you should receive the same treatment as the average man. We are paid by the taxpayers, who give us money, but we owe them some explanations. I will not ask my constituents, who can hardly make a living for their families, to raise my salary, oh no! And I think that people are aware of that.

Many companies, Madam Chairman, are now negotiating. Unions have asked bosses what they could do to save their companies, to save tomorrow's jobs. These negotiations are presently going on back home. But, you get here and, because this is government, there are no negotiations. The key to the success is to hold the people hostage. The dissatisfied bus driver stops driving his bus. Who is walking? The moron taxpayer. Not me, I have my own car. But there are many people who do not own a car and who need public transportation.

What happened last week in Toronto? The population was taken hostage. On what grounds? Could these citizens object in any way? No! What happens during a public hospital strike? Who are the first to suffer? Are

they the workers or the people who are taken hostage in the hospitals?

If you were to conduct a poll across the country, you would see that more and more people believe that those who choose to work in the Public Service should not have the right to strike. I hear that comment more and more. I think that we pay them pretty well. It is easy for you to ask us to pay them, but you still have not told us where we should take the money. Indeed, you would simply print some more.

You not only mortgaged your grandchildren's future but that of your great-grandchildren as well. If someone is paying the bill today, it is the workers, the 609,000 welfare recipients in Quebec, the million of them in Ontario. They are the ones who are paying the bill now for all the nonsense done over the last 20 years.

You pride yourselves on standing up for the poor in this House. But that is not true. You are not standing up for the poor, but for the best paid workers in Canada. I find your behaviour unacceptable. You should denounce Mr. Bean much more severely than you have done up to now, especially you, the members of the NDP, because he is betraying his own members, giving them incorrect information, improperly transmitting the message to the base and preventing workers from going back to work. These workers are willing to end the strike since they fully realize that you cannot ask the taxpayers for more money. Mr. Bean tells them that, if they do go back to work, he will deal with them physically.

Well, this is not true, Madam Speaker. It is time to put an end to this nonsense. I hope that by 10 o'clock tonight someone from Her Majesty's loyal Opposition will rise and properly defend these people.

• (2120)

[*English*]

Mr. MacLellan: I love it when I hear the complaints about Ian Deans being appointed to that job. I wonder who it was who appointed him.

I want to just reiterate that when the government throws mud in a fan it is going to get some of it back in its face.

I hope the President of the Treasury Board will be coming back. I have some things I wanted him to hear.

I am very concerned about the way this strike has progressed. The President of the Treasury Board and the government obviously have precipitated this strike and then chose to go back into negotiations, but not really meaningful negotiations. I think that has really exacerbated the problem.

When one looks at the federal government's advertisement about: "Here's what the Public Service Alliance of Canada walked away from", it is really galling to see what the government purports to be an offer to these people.

For one thing, the $500 lump sum payment to approximately 35,000 employees earning less than $27,000 a year. The government has said it guarantees employment for employees whose jobs are transferred to the private sector, as a result of contracting out or privatization. Those who chose to work for the contractor would receive six months salary to compensate for lower benefits in the private sector. This is not meaningful negotiation.

The next one is a guarantee of a reasonable job offer to all employees affected by work force adjustments. One would expect that if there were going to be work force adjustments, that there would be a reasonable offer of employment. But we do not have the government's definition of what "reasonable" is. When we look at the track record of this government, "reasonable" in its eyes is completely different from the definition of "reasonable" that most of us have become accustomed to. I do not think one can look at the government when it is bargaining and use the word "reasonable" with any kind of assurance. I am sure the striking Public Service did not.

The most incredible one was that the government mentioned payments totalling $81 million, now made under equal pay to be incorporated in employees base salaries, thereby increasing the dollar value of future raises and pensions.

Why would the government not do that in the first place? It would be the decent thing to do instead of using it as a bargaining chip at a time when the workers were expecting meaningful negotiations.

Considerable work went into this by all parties, hoping that there would be an equitable settlement to this strike. We thought the government was sincere when the offer to go back to the bargaining table was made. That

the government was sincere in doing something to bring about an end to this strike.

Then, we heard about the bonuses that were paid to senior members of the Public Service and to the heads of the Crown corporations. It is absolutely incredible that these people would receive that kind of an increase. I know it has been going on for some time. That kind of money was given to these people without justification. The government did not do anything about it, until it was actually confronted with it. It said it was just going to freeze the bonuses. Then, finally, it was embarrassed into doing away with these bonuses.

Is Mr. Lander, the president of Canada Post, paid a bonus per post office closed?

An hon. member: Probably, with this government.

Mr. MacLellan: Is Mr. Lawless, the president of Canadian National Railways, paid per mile of railroad track that is taken out of service? Is he paid because he sold a CN route to a private company which went bankrupt in 15 months, with 2,000 people unemployed, without any kind of benefits? They would be wiped out completely and not even be able to make the payments on their trucks. They and their families would be absolutely destitute. There has been no response from this government. For the government to take three years to get an RCMP report, is that how they measure the benefit of the people they pay those bonuses to?

There is not one bonus to Mr. Lawless, but two bonuses to Mr. Lawless because he was also president of VIA Rail. The fact is they were not going to leave it at that.

The first offer was that the government was going to freeze the bonuses. Oh, yippee, yippee. That meant that it was going to actually increase the bonuses.

Mr. Lawless in all his magnificence was going to get more than he had got before. Why not? He is going to sell the rail line in eastern Nova Scotia. That has got to be worth at least $30,000 in the minds of the government. He is going to get rid of a railroad that has been in existence since the mid-19th century on whom people in eastern Nova Scotia depend.

It was going to sell it to somebody of substance, some worth-while company that had the revenues to be able to take it over. It is not as if we have not heard that before with Route Canada. There was supposed to be a marvellous company. It was supposed to carry on the trucking firm, but it did not.

It is one thing to cut off the services, to destroy the Canadian symbols, but it is another thing to insult completely the intelligence of Canadians from coast to coast.

The measure of this government is: "If you are a big shot, you get paid because we need you to keep the little person under control. We want to keep the small person under our thumbs". That is the thinking that Canadians from coast to coast attribute to this government.

The government wonders why there is a strike at the present time. It is because the mood is sour, because Canadians do not trust this government. They are fed up with this government and they do not believe anything this government says.

The only thing they will absolutely give any credit to is what this government does and it has done very little, if anything, to try to fix this very tragic situation.

Why is the government not including independent contractors in this? Last spring, when his own officials were asked, they said that the independent contractors were paid more than public servants, yet they did not know really if the independent contractors were saving any money for the government. They did not know if this was saving any money for the government, because they did not keep track. They did not keep track.

We do not know what this whole government thrust of giving money to the independent contractors is doing. We do not know if it is helping the country or not, because the government does not keep track. It does not want to keep records.

Has the President of the Treasury Board got a hold of his department? Does he know whether the step of giving work to independent contractors is saving money? I want to know if he can give us some examples of that so that we can have information we were not able to get last spring.

Mr. Loiselle: Mr. Chairman, the hon. member has covered a lot of ground. I will try briefly to go over each of his points.

He said that he had the feeling that we entered this round of negotiation without really being serious and that we had not gone through meaningful negotiation. I would like to disagree very strongly with him. He knows full well that at a time when hundreds of thousands of

Canadians are thrown out of a job, job security is something very precious.

When I sat with Daryl Bean to get the negotiations going again, I spoke to him very bluntly about the wage budget. We explored together the areas where we could make some progress. Certainly this was a central issue. That is why it is there. It is for the union. At a time when everybody in Canada is worried about his or her future we felt that we could move on that and do our best to try to give some job security to our employees.

• (2130)

I would say that on that point we have a good record. I did not feel we needed to go very far. We are Canada's largest employer. We have nearly 225,000 employees working under Treasury Board rules. Out of those, at a time of deep recession as we are reminded every day by the opposition, 106 employees had to leave against their will, and in most instances it was because, for reasons I respect, they could not move. We were prepared to retrain them. We are prepared to spend two years with our employees to retrain them and help them find other jobs.

Even though we have tried to remove or limit the weight of government from 1986 until now, in a work force of 225,000 people we have lost only 1,500 persons who had to leave against their will. This is a very good record, and I do not know of anyone who has a better record. It is a better record than Daryl Bean's record in his own staff.

Listen to Daryl Bean a few months ago when he said: "Oh, these are tough times; I cannot go beyond this. I have to close positions". We are all going through rough times and trying to deal with them as best we can. We thought that job security, being something well identified, we could move on that.

You said: "We thought the government was sincere". We were sincere, and the lump sum payment is not something indifferent. It is something that was reasonable in our view for the lower income people who of course have to suffer more because of the zero year. We were quite happy to put that on the table.

We did not do like some other Liberal governments in Canada that have removed all benefits this year. We tried to improve them: dental care, medical and, as you have stated, a long list of benefits.

The hon. member says that we are trying to destroy the Canadian symbols. I would like to remind him that when we came to power in 1984, for every dollar that Canadians were paying in taxes to Ottawa the federal Liberal government was spending $1.33. Of course you can make a lot of people happy. Of course you can throw money around that you do not have. But sooner or later it catches up with you in a huge debt, and this is what we have been trying to tackle.

We would like to give more to people, but do we need to borrow it, increase taxes? We have asked our employees to do their share. Somebody said on the NDP side: "What is significant, $200 million?" Of course, they have a printing machine out there. We do not have it.

It is important. It is tough on the employees, but it is their one share. We have taken many other measures at budget time. We have dealt not only with unionized employees, but we have announced that we would cut 10 per cent of our managers. This is a very difficult decision.

We are trying to live within our means, and we feel that Canadians have too much government that they have to pay for. This money comes from thousands and thousands of Canadians who are without jobs. We wanted to set an example. It has been followed by many provinces. It has given the right direction and we can see now that the economy is picking up again. Because interest rates are down, this is helpful to the economy and we can hopefully create better conditions where we can protect the future of our employees. To do otherwise would not be useful.

As for the independent contractors, we have said that we will continue to look for the best possible ways of providing services at the lowest possible cost. This is reasonable. When you are as broke as we are, with a $400 billion debt and a $30 billion deficit, you have to find ways to try to cut your spending. Otherwise it is only down.

We looked at that as one of many options of reorganizing, going to special operating agencies, as we have done with great success and using various means of trying, if we have a limited responsibility which is limited in time, to deal with it without committing ourselves to a forever

salary, a forever benefits and so on and so forth. Each department has been asked to look at that, but in the process we said we would protect our employees and the numbers I have given you indicate that we have done so.

We have abolished many positions, thousands of them, cutting money, but we have done it through attrition and we have not done it by firing people. We have been very careful to manage well and I am very proud of our record in that respect.

Mr. MacLellan: Mr. Chairman, you would swear that the government was the saviour of the Canadian economy. I have never heard anything so completely nutty in my whole life.

The debt has more than doubled since this government came to power and it had good economic times. Not only has the debt more than double, but in 1984, when the debt was approximately $180 billion, only 17 per cent was being financed outside Canada. Now it is over $400 billion and 38 per cent is being financed outside the country. We do not even have control over our own economy.

This government has to sell Treasury bonds to keep the country going from week to week or we are out of business. He has to give a high interest rate and that is the reason the Canadian dollar is high. If we did not have the high interest rate you would not sell the bonds and the country would be out of business. It has put us on the rocks economically. It is blaming poor public servants and the inflation rate. I have never heard anything so full of hogwash in my life.

Mr. Loiselle: Mr. Chairman, if the hon. member takes the time to look at the numbers, he will understand that the deficit has not doubled. It is much below what it was with a much larger economy. The debt of course is higher, but all of it is interest on the debt you left. We have cut. We could not even pay the salaries when we came in with the situation you left us with. We had to borrow $16 billion to make the payroll. You had a $38 billion deficit plus a $200 billion debt. We started trimming down, being opposed every step of the way by people across this room. Now we have, this year, a $14 billion surplus and we intend to continue trimming governments for the great protection of our own employees.

Mr. Ross Harvey (Edmonton East): As you know, Mr. Chairman, I am at this point but the first of the three amigos to come in the next 20 minutes.

If I may, I just have to start by calling to the memory of this House a commercial that used to air on television.

An hon. member: Slow down so that the interpreter can follow you.

Mr. Harvey (Edmonton East): That was too fast, my apologies.

Several years ago on television there was an advertisement for a candy called Certs. In it there were two people, one of whom insisted that Certs was one kind of mint and the other insisted it was another kind of mint. I am remind of nothing so much as that tonight, watching the Liberals and the Tories trying to determine precisely which has been the most disastrous for Canadian public finances when of course in fact, as the line in the commercial had it, "stop, you are both right, you have both been entirely disastrous for the Canadian public finances".

Moving from that, I owe the House an apology because when previously I was going through my list of questions dealing with the various clauses of the bill before this committee I omitted two clauses. This is an omission I would like now to make up.

Taking in turn clauses 4 and 3, I would note that clause 4, which of course is that section which binds the Crown, is in some senses unique and would only ask in that regard: how is it that most often the government excludes itself from legislation, for example, pay equity and human rights, in its practice at least but in this case deems itself bound by the legislation? But more substantially with regard to clause 3, which is the section that creates the entire regime of the act in terms of forcing the terms of employment on its employees, I would ask the following questions:

• (2140)

(1) Why is there an inclusion of those not involved in job action?

(2) How many workers are to be affected by this bill?

(3) How much is this bill going to save the government?

(4) How is Treasury Board going to enforce these restraint measures on staffs of MPs?

(5) Does Treasury Board have or will it seek the authority to examine the rates of pay for staff of MPs and senators?

Mr. Loiselle: We will send CSIS.

Mr. Harvey (Edmonton East): The minister jocularly says: "We will send CSIS". Yes, they just may. Lord knows there is ample precedent for it.

(6) Is not this bill more than back to work legislation but a back-handed way for the government to introduce restraint measures it does not want to or cannot through separate legislation?

(7) Does the minister not find a touch of irony in the fact that the RCMP and military, the very people expected to control angry workers who are on the picket lines, now find themselves swept up in the same legislation?

(8) Why, given that the government spends in excess of $5 billion a year on contracting out, would the government exclude independent contractors from the restraint measures of the act?

(9) How many individuals are affected by this exclusion and what is the cost of these contracts?

(10) How much does a lawyer on contract to the government earn?

(11) Why would that lawyer be excluded?

(12) How much does and architect on contract to the government earn?

(13) Why would that architect be excluded?

(14) How much does a temporary staff person in a clerical position earn?

(15) If a public sector worker under the PSAC contract is working next to an independent contractor doing the same work, why would the independent be excluded?

(16) Does thee independent contractor earn a different rate of pay?

(17) Why are federally appointed judges excluded from the bill?

(18) Does this bill apply to compensation received by the Governor General?

(19) Does this bill apply to the Bank of Canada?

With those questions on the record, I shall defer now to my hon. colleague, the member for Saskatoon—Dundurn.

The Assistant Deputy Chairman: It is up to the chairman to give the floor. The hon. member for Saskatoon—Dundurn.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Chairman, I believe the member for Portneuf, if I can remember correctly where he was sitting and if he is still in the House, strenuously defended all these people he was enumerating who were laid off in his constituency and those who are unemployed. The opposition, and in particular the NDP, certainly did defend those people.

Do you forget the debate on free trade? Why on earth do you think those people are unemployed? Why do you think they have been laid off from their jobs? Why do you think those people have been laid off? They have been laid off because of the free trade agreement and the companies they have worked for have moved south of the border. That is why they are unemployed. That is why they are losing their jobs.

In any event, this debate is not about fighting the deficit. I submit to you that the deficit is a very fortunate turn of events for this government. It gives it the opportunity to be able to do something. The question was asked and I made the answer. I think I received the answer to that about nine months subsequent to asking the question.

This is not about a large deficit and it is not about wage restraint either. This debate is about wage suppression. What a marvellous opportunity to bring in legislation, and there is no question whatsoever that this government has not bargained in good faith with these people from the moment the budget was brought in, a budget that brought in by law a constraint on the government's employees which guaranteed with the majority the government had that there was no way fair bargaining could possibly take place. Fair bargaining was pre-empted the moment that the finance minister read the budget, and there is just no question about that.

Turning to the deficit itself, I do not know who requested the survey or the study that Statistics Canada did. It is one of the most reputable adjuncts to the

government. I do not know. I wonder if employees of Statistics Canada are going to be subject to this legislation as well. Probably they are, unfortunate bunch of people. Anyway, Statistics Canada and the exemplary employees who work for it found that 44 per cent of the debt of this nation was caused by successive Liberal and Conservative, particularly, governments having given away tax breaks to corporations.

Fifty per cent of that debt is directly attributable to high interest rates. That leaves 6 per cent and Statistics Canada did find—and I will readily admit that is what it said—that 6 per cent of that debt is directly attributable to Canadians living beyond their means, which is very roughly and quickly translated as the social programs, the unemployment insurance, medicare, and so on.

If we listen to the finance minister, if we listen to the President of the Treasury Board, if we listen to the Prime Minister, we find that they are blaming the whole 100 per cent on Canadians living beyond their means or, if you will, the social programs of medicare, unemployment insurance, and so on. No more deceitful lie has been perpetrated on the Canadian people in all of Canadian history or for more devious reasons. The only reason that this action is being taken is in order to suppress wages.

I am going to conclude very quickly so that the member for Beaches—Woodbine will be able to get his points in. There are a couple of other interesting sets of figures. Since this government was elected in 1984 inflation has gone up by 29 per cent and corporate taxes have gone up by 17.7 per cent. I am not even going to give you time, Mr. Speaker, to guess how much it is; I am going to tell you. For the individual, taxes have gone up by 103 per cent and they wondering why people are angry. Are they wondering why they are at 15 per cent in the polls?

I would like to point out that in the sixties the disposable income of Canadians went up by about 34 per cent. In the seventies the disposable income of people went up by 22 per cent, and in the eighties, dominated by this free enterprise, free wheeling capitalist government which was going to bring in free trade, this panacea of prosperity, the disposable income of Canadians has risen by .5 per cent. And they are wondering why Canadians are angry. They are wondering why Public Service employees are so angry. There has to be some way for these people to be able to capture some of the wealth that this country is supposed to have offered.

If you started working in 1980, Mr. Chairman, your disposable income has risen by .5 per cent, and they wonder why Canadians are angry.

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I have listened with great care to the discussion that took place in the House today, and particularly the comments by the hon. member for Portneuf.

When that hon. member spoke about the unacceptably high welfare rolls in Montreal and in the Quebec province, I can also point out to him that there is an equally unacceptable level in Ontario, Saskatchewan, Alberta, British Columbia, Newfoundland, and the Atlantic provinces, and there is good reason for that.

• (2150)

There is not an economist in this country who would not agree that the recession that Canada is still in is a made-in-Canada recession by this government. Perhaps the Fraser Institute would not agree but every other reasonable economist in this country would agree with that.

I want to say something that is absolutely offensive to me, and I think to most members of this House. Since 1984 this government has never made one initiative without finding a scapegoat for it. Every initiative this government comes forward with is accompanied by a scapegoat. In 1985 it wanted to reduce the deficit. It blamed pensioners and it attacked pensioners and tried to deindex their pensions. Later on, when it wanted to blame the unemployed, it attacked the Unemployment Insurance Program. Again, when it wanted to reduce the deficit, it went after family allowances. Then, again, as recently as last Monday when the Prime Minister announced his constitutional initiatives, who did he blame? He went after housing.

If you combine all these things together, no wonder there is an unacceptable level of people on welfare and unemployment in this country. Today we find the government blaming public servants for the deficit.

I listened to that hon. member who said that he was trying to talk to principles here, and did nothing but try to set the Public Service unions against the unemployed, the Public Service unions against people on welfare. The

real question here is this government's role in negotiations with Public Service workers; it is as simple as that.

I have listened to the President of the Treasury Board try to justify the government's actions in these negotiations. There is not one major media outlet in this country that I have seen in the last three or four weeks that has not clearly seen through what this government is trying to do. Look at the editorials if you do not believe the people on the opposition benches and what we have been saying for the last couple of days. *The Globe and Mail*: "Ottawa should respect the right to negotiate", a whole editorial attacking this government's credibility with its own public servants. In *The Globe and Mail* again: "Tories do the almost impossible to spark sympathy for public servants". That was written by Jeffrey Simpson.

The *Vancouver Sun*, hardly a bastion of the left, put this in: "Don't freeze out public servants", and then it goes on to attack this government's credibility in negotiating under law with its own public servants. "Provoking a strike" says the *Edmonton Journal*, there is another real lefty. *The Citizen*: "Back to work legislation, there must be a better way."

I heard the President of the Treasury Board today say that the government would not agree to the appointment of a mediator because it will not accept some third party that had nothing to do with the negotiations so far intervening in these negotiations, helping these negotiations, because the third party may very well dictate what a settlement should be. I find that to be the height of ignorance and one that is not acceptable to any right thinking Canadian who believes in the free bargaining process.

Mr. Peter Milliken (Kingston and the Islands): Mr. Chairman, I appreciate the opportunity to say a few words before the debate ends. I wanted to review very briefly the government's mishandling of this case, because if there was ever a situation that cried out for incompetence, this is it. I will have to be brief because of the time. It is a shame I cannot go on at length because it is a disgraceful record and the President of the Treasury Board should be ashamed of the government's record in this regard.

I want to go back to the budget of February 26, 1991 when the Minister of Finance who has since been replaced—he is now the Minister for International Trade—made the following statement concerning the situation of the Public Service in this country.

> The government will continue to bargain with its employees but, as any employer would do, it will at all times be cognizant of its bottom line as dictated by the seriousness of the federal fiscal situation.

It was a federal fiscal situation, I might add, that was seriously exacerbated by seven years of Tory mismanagement.

It then said: "The deteriorating deficit situation dictates that for the next fiscal year available resources simply will not allow the government to increase operating budgets to compensate for wage and salary increases. This means that any wage increases resulting from the collective bargaining process will have to be funded through a corresponding reduction in Public Service employment.

With a Public Service work force of approximately 215,000, each increase of one per cent in pay could lead to a loss of approximately 2,000 jobs." That is what the minister said in this House in his budget speech. He did not actually say these words, but it was printed in the material that he distributed in the House at the time.

He went on: "To contain the loss of Public Service employment, and to ensure continuation of the provision of vital public services to Canadians, the government is not prepared to contemplate wage settlements exceeding three per cent a year over the next three years. Negotiated settlements of three per cent are consistent with this environment of severe restraint and are in line with the government's inflation targets. The alternative to a firm wage bargaining stance would be a much deeper reduction in public sector employment including lay-offs."

In other words, 3 per cent was the figure that was given out and it was understood at the time that if there were negotiated settlements of less than 3 per cent there would be lay-offs to take their place.

Well the government apparently abandoned this scheme and it abandoned it, of all places, at the negotiating table. Imagine, you announce it publicly in the House what your bargaining stance is and then you go into the

negotiations and you turn around and say: "Sorry, we were wrong, it is now zero per cent."

Do you know why? It is because the President of the Treasury Board suddenly realized that he could not afford to part with 6,000 public servants.

The government pruned the number of public servants by 15,000 over six years and it boasts about it. Then all of a sudden he is confronted with a situation where he could lose 6,000 more if he ended up with a 3 per cent increase according to the Minister of Finance. So he abandoned that policy at the table and said: "You are getting zero."

Who did he say it to? He said it to all the lowest paid workers. Just before the budget came down on February 26 it gave a big increase to all the higher paid workers who were not negotiating with them in a union. That is what it did.

Now the government suddenly realizes its error and said: "Oh boy, we are going to apply this freeze." In June, the minister had the gall to stand in this House and say he was extending the freeze of zero per cent to everybody because he had realized the blunder he had made in giving the increase in January and February to these people.

Then, having recanted that far, the minister says zero per cent now applies to everybody, except the bonuses. He did not say that, of course, but we drew it to his attention and the unions drew it to his attention. He said: "Oh well, the bonuses are included too, it is all zero now."

That is what he wanted all along, but he did not have the nerve to admit it in the House, in the budget, in February. His predecessor did not. He was the one dictating the terms at the time. He did not have the guts to admit it in the House in June.

It was only when the unions pressed him to come out with a fair policy for everybody that he then said zero is the rule. But what he had done is give a substantial percentage increase to the highest paid ones in a year when the inflation rate was 6 per cent. He then says to the lowest paid: "You get zero this year. You may get three next year, but for the year when inflation is 6, you get zip." The others all get 4.2 or whatever it was that was given.

It was a shocking abuse of power by this government and a total mismanagement of the Canadian government that has cost us and cost us dearly in terms of jobs and that is why we are facing this legislation here today.

I have here some quotations from some experts in the labour field, a quotation from the Kingston *Whig–Standard*. These people are experts and professors at Queen's University. I will read the story:

> Ottawa has badly bungled its handling of the public service labour dispute, two labour relations scholars say.
>
> Dictating a wage freeze and forcing civil servants back to work is an ugly move that could have been avoided, say professors Pradeep Kumar and Donald Carter of Queen's University.
>
> The scholars, who teach industrial relations, say the federal government's mistakes as an employer over the past few months could very well:
>
> Demoralize civil servants.
>
> Scuttle efforts to make the public service more efficient, flexible, and responsible.
>
> Promote a more militant public service union with more militant and politicized members.
>
> While they see some things differently, the two scholars agree that Ottawa has erred by imposing wage restraints under the guise of collective bargaining, a cherished labour principle under which unions and management jointly define employment conditions.

These are experts in their field. They say the minister has bungled this and bungled it badly. I say I agree with them and so does every member on this side of the House, and so does the Canadian public. This government is incompetent and should resign and get out. It is no good. I have got more.

• (2200)

Then, we have the Minister of Supply and Services who represents an Ottawa riding. He says: "Public Servants have nothing to complain about." He represents an Ottawa riding, and he has lots of public servants. Listen to what this man says. This is an unbelievable set of statements.

"They did not get laid off. They simply did not have their wages rolled back," says Dick, supply and services minister and Ottawa area's lone representative in the cabinet. I may say he is the only Tory in the whole Ottawa area, the people of eastern Ontario knew better than to elect this bunch.

He went on: "They did not have their plant shut down. They do not have to work-share. The Tory MP for Lanark—Carleton makes no apologies for the government's freeze on the salary of its employees in spite of the fact that the freeze only applies to the lowest paid".

This government is a disgrace. This government has botched this affair so badly that it amounts to nothing but a national disgrace. I say to the President of the Treasury Board through you, Madam Chairman, that he should get up and withdraw this bill at once. He has no business forcing this kind of legislation on the public without a mediator, without following the usual practices of labour negotiations. He knows that is his responsibility.

I would love to be able to quote more, but I know that my time is running out.

Some hon. members: More, more.

Mr. Milliken: I told you they want more. I could continue, Madam Chairman, with the speeches of the Minister of Supply and Services. He refers if you please—he is a minister as I say from the Ottawa area—to fat cats in the Public Service. He, of all people, refers to fat cats in the Public Service.

Some hon. members: Hear, hear.

The Chairman: It being ten o'clock p.m.—

Some hon. members: Oh, oh.

The Chairman: Order. Order, please.

It being ten o'clock p.m., pursuant to order made Tuesday, September 17, 1991, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of Bill C-29 at the committee stage.

Some hon. members: Oh, oh.

The Chairman: The first clause to study is clause 2.

[*Translation*]

On clause 2, it is moved—

Order, please.

Mr. Loiselle moves:

That clause 2 of Bill C-29 be amended

(a) by striking out line 2 on page 2 and substituting the following:

"Schedule I to that Act,"

(b) by striking out line 20 on page 2 and substituting the following:

"paragraph (i), *or*

(c) in one lump sum payment that may be made payable; on or after the coming into force of this Act, to or for the benefit of an employee whose rate of pay does not exceed $27,500 and that is in an amount equal to

(i) where the lump sum is payable to or for the benefit of an employee whose rate of pay does not exceed $27,000, $500, or

(ii) where the lump sum is payable to or for the benefit of an employee whose rate of pay exceeds $27,000 but does not exceed $27,500, that portion of $500 that the rate of pay for that employee exceeds $27,000;"

The amendment is admissible. Shall the amendment carry?

Some hon. members: Agreed.

The Chairman: I declare the amendment carried.

[*English*]

The Chairman: On clause 2, the second amendment. Mrs. Catterall moved:

That clause 2 be amended at page 3 by deleting the lines 2 through 6 and substituting the following therefor:

"amount of pay".

This amendment is also acceptable. Is it the pleasure of the Committee to accept this amendment?

Some hon. members: Agreed.

Some hon. members: On division.

Amendment (Mrs. Catterall) agreed to.

The Chairman: Shall clause 2, as amended, carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 2 agreed to.

The Chairman: On clause 3, Mrs. Catterall moved:

That Bill C-29 be amended in clause 3 by adding immediately following line 31 on page 3 the following:

(e) persons engaged as independent contractors

This amendment is out of order. It is not intelligible, as it would require a subsequent amendment to subclause 4.

We will now move to amendment no. 4. Ms. Langan moved:

(a) That clause 3 be amended by striking lines 13 to 42.

(b) That clause 3 be further amended by striking the word "not" at line 43.

This is out of order. This amendment really attempts to redraft the clause. According to Beauchesne,S 698(9), it cannot be accepted.

Hence, shall clause 3 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 3 agreed to.

The Chairman: On clause 4, Mrs. Catterall moved:

That Bill C-29 be amended by adding immediately after line 2 on page 4 the following:

5(a) Forthwith on the coming into force of this Act.

(i) the Treasury Board shall revise the classification system to incorporate fully into pay scales the compensation now paid to certain employees and groups of employees as equalization payments in respect of pay equity;

(ii) the Treasury Board will cease all actions before the Human Rights Commission in opposition to the Commission's ruling on any matter related to equal pay for work of equal value.

(b) One year after the coming into force of this Act, the Treasury Board shall revise classifications as necessary to implement full pay equity as agreed to between the Treasury Board and bargaining agents for the employees.

(c) For any employee or group of employees for which the Treasury Board and the bargaining agents have not been able to reach agreement pursuant to section 5 (b) on new classifications to implement equitable pay scales, all disputes will be deemed immediately referred to the Human Rights Commission for binding resolution.

This amendment has also been deemed out of order because it is beyond the scope of the bill.

Shall clause 4 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 4 agreed to.

The Chairman: On clause 5, Mrs. Catterall moved:

That Bill C-29 be amended by deleting everything after line 2 on page 4 and substituting the following therefor:

5. Forthwith on the coming into force of this Act, the Chair of the Public Service Staff Relations Board shall name a mediator acceptable to both parties who will endeavour to mediate all matters referred to the mediator and to bring about agreement between the parties.

6. The Chair shall refer to the mediator all matters relating to the compensation plan, for any employee or group of employees covered by this Act, which has expired and for which no new compensation plan has been established.

7. The mediator shall report to the Chair on the resolution of all such matters on the date fixed by the Board.

This amendment is also out of order because it brings a new concept to the bill and is irrelevant to the bill as it is presented at this time. Amendment No. 7, moved by Ms. Langan:

That clause 5(1) be amended by the addition at line 11 of "with the exception of a mediated mutually agreed upon settlement having been arrived at before or after the proclamation of this Act".

"5(3) Sections 5(1) and (2) will have no force or effect should a mediated settlement be arrived at".

• (2210)

This amendment is in order.

Is it the pleasure of the committee to adopt this amendment?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: The amendment is negatived on division.

[*Translation*]

Is clause 5 adopted?

Some hon. members: Agreed.

[*English*]

Clause 5 agreed to.

The Chairman: On clause 6, it was moved by Ms. Langan:

That section 6 be amended by adding at line 30 on page 4 the following: "with the exception of a mediated mutually agreed upon settlement having been arrived at before or after the proclamation of this Act".

That section 6 be further amended by the addition of:

"6(1) Section 6 will have no force or effect should a mediated settlement be arrived at".

The Chairman: This amendment is in order and I think the Committee should know what it is voting on.

Is it the pleasure of the committee to adopt this amendment?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Shall Clause 6 carry?

Some hon. members: Agreed

Some hon. members: On division.

Clause 6 agreed to.

The Chairman: Clause 7, moved by Mrs. Catterall:

That Bill C-29 be amended in Clause 7 by deleting line 33 on page 4 and substituting the following therefor:

"Rights Act, the terms"

The amendment is in order.

Is it the pleasure of the committee to adopt this amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Chairman: The amendment is negatived.

Ms. Langan moved five different motions. The first one, moved by Ms. Langan:

That clause 7 be amended by adding immediately following line 42 on page 4: "For greater certainty any order by the Canadian Human Rights tribunal respecting pay equity in the federal public service shall be exempted from the application of this Act".

This part of the amendment is out of order. It brings a new concept to the bill and is considered irrelevant.

Ms. Langan moved:

That clause 7 be amended by replacing the word "may" with the word "shall" at line 43 on page 4.

Is it the pleasure of the committee to adopt this amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Chairman: The amendment is negatived.

Ms. Langan moved:

That clause 7 be amended at line 5 and 6 on page 5 by striking the words "in the opinion of Treasury Board".

This amendment is in order.

Is it the pleasure of the committee to adopt this amendment?

Some hon. members: Agreed

Some hon. members: No.

The Chairman: The amendment is negatived.

Ms. Langan moved:

That clause 7 be amended at line 10 on page 5 by replacing the word "may" with the word "shall".

This amendment is in order.

Is it the pleasure of the committee to adopt this amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Chairman: The amendment is negatived.

Ms. Langan moved:

That clause 7 be amended at line 28 on page 5 by striking out the word "not".

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

Some hon. members: Agreed.

Some hon. members: No.

The Chairman: The amendment is negatived.

[*Translation*]

Shall Clause 7 carry?

Some hon. members: Agreed.

Some hon. members: No.

The Chairman: Carried on division.

Clause 7 is carried on division.

[*English*]

On clause 8, Ms. Langan moved:

That clause 8 be amended at line 42 and 43 on page 5 by striking the words "other than wage rates or other terms and conditions of the compensation plan".

This amendment has been deemed to be out of order. It is inconsistent and contrary to the principle of the bill.

On clause 8, Mrs. Catterall moved:

That Bill C-29 be amended in clause 8 by deleting line 42 on page 5 and substituting the following therefor:

"award, including wage rates and other terms".

This amendment has also been deemed to be out of order because it is contrary to the principle of the bill.

Shall Clause 8 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 8 agreed to.

The Chairman: On Clause 9, Ms. Langan moved:

That clause 9 be amended at line 5 on page 6 by striking the word "not". That clause 9 be further amended by inserting at line 7 on page 5 "by an amount equal to the Canadian Consumer Price Index for the immediately preceding year" .

That clause 9 be amended at line 11 by striking the words "three per cent" and inserting immediately following "by" "an amount equal to the Canadian Consumer Price Index for the immediately preceding year".

This amendment is deemed to be out of order. It offends the royal recommendation.

On clause 9, moved by Ms Langan:

That Clause 9 be amended by the addition of a new subparagraph (3). "(3) Notwithstanding any other Act of Parliament but subject to section 11, every compensation plan for employees to whom this Act applies shall be deemed to include a no layoff provision".

This amendment as well has been deemed out of order. It is beyond the scope of the clause.

Shall Clause 9 carry?

Some hon. members: Agreed.

Some hon. members: No.

The Chairman: Carried on division.

Clause 9 agreed to.

The Chairman: On Clause 10, Mrs. Catterall moved:

That Bill C-29 be amended in Clause 10 by deleting lines 20 through 42 on page 6 and substituting the following therefor:

10(a) by such amounts as are agreed upon by the parties as a result of collective bargaining.

This amendment is deemed to be out of order as well because it offends the royal recommendation.

Shall Clause 10 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 10 agreed to.

[*Translation*]

The Chairman: On Clause 11, Mr. Loiselle moved that Clause 11 of Bill C-29 be amended:

(a) by striking out lines 2 and 3 on page 7 and substituting the following:

"on which this Act comes into force, or"

(b) by striking out lines 29 and 30 on page 7 and substituting the following:

"day on which this Act comes into force if the parties to the plan"

This amendment is in order. Shall the amendment carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: I declare the amendment carried, on division.

• (2220)

[*English*]

Mrs. Catterall moved:

That Bill C-29 be amended in Clause 11 by deleting lines 14 through 22 on page 7 and substituting the following therefor:

the previous compensation plan and wage rates may be adjusted by such amounts as are agreed upon by the parties as a result of collective bargaining and any wage rates so adjusted shall

This amendment has been deemed out of order. It offends the royal recommendation.

Shall clause 11 carry?

Some hon. members: Agreed.

An hon. member: On division.

Clause 11 agreed to.

The Chairman: On Clause 12, moved by Ms. Langan:

That clause 12.1 be amended at line 36 on page 7 by replacing the words "Treasury Board" with the words "Public Service Staff Relations Board".

That clause 12.2 be amended at line 42 on page 7 by replacing the words "Treasury Board" with the words "Public Service Staff Relations Board'.

That clause 12.3 be amended at line 1 on page 8 by replacing the words "Treasury Board" with the words "Public Service Staff Relations Board".

This amendment is out of order. It brings a new concept which is irrelevant to the bill.

Shall Clause 12 carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chairman: Carried on division.

Clause 12 agreed to.

The Chairman: On Clause 13, Ms. Langan moved:

That clause 13 be amended on line 10 on page 8 by striking the word "no".

This is not in order. It does offend the royal recommendation.

Shall Clause 13 carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chairman: Carried on division.

Clause 13 agreed to.

The Chairman: On clause 14, Ms. Langan moved:

That clause 14 be amended at line 36 on page 8 by inserting immediately following "are" the words "being forced".

This amendment is in order. Is it the pleasure of the committee to adopt this amendment?

Some hon. members: Agreed.

Some hon. members: No.

An hon. member: On division.

The Chairman: Negatived on division.

Shall clause 14 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 14 agreed to.

The Chairman: Shall clause 15 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 15 agreed to.

The Chairman: Shall clause 16 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 16 agreed to.

The Chairman: Shall clause 17 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 17 agreed to.

The Chairman: Shall clause 18 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 18 agreed to.

The Chairman: Shall clause 19 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 19 agreed to.

The Chairman: On Clause 20, moved by Ms. Langan:

That clause 20 on page 9 be amended by striking all words following the word "Majesty" on line 27.

This amendment is in order. Is it the pleasure of the committee to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

An hon. member: On division.

The Chairman: Negatived on division.

Shall clause 20 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 20 agreed to.

The Chairman: Shall clause 21 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 21 agreed to.

The Chairman: Shall clause 22 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 22 agreed to.

[*Translation*]

The Chairman: On clause 23, it is proposed by Mr. Loiselle:

That clause 23 of the French version of bill C-29 be amended by substituting line 31, on page 10, by the following:

"ble pour 1992 par cent trois pour cent."

Is it the pleasure of the Committee to adopt this amendment?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: The amendment is agreed to on division.

Is clause 23, as amended, agreed to?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 23 as amended is agreed to.

[*English*]

The Chairman: Shall clause 24 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 24 agreed to.

The Chairman: On clause 25, Ms. Langan moved:

That clause 25 be amended by inserting at line 29 on page 11 immediately following the word "force" the following:

"only once the report of an independent mediator is received by the Minister. If the report of the mediator is refused by the Minister this Act will not come into force".

This amendment is out of order. It brings a new concept irrelevant to the bill.

Shall clause 25 carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Clause 25 agreed to.

The Chairman: Shall Schedule I carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Schedule I agreed to.

The Chairman: Shall Schedule II carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Carried on division.

Schedule II agreed to.

[*Translation*]

The Chairman: Is clause 1 agreed to?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Agreed to on division.

Clause 1 is agreed to.

The Chairman: Shall the title carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chairman: Title agreed to on division.

Title agreed to.

The Chairman: Shall the bill carry?

Some hon. members: Agreed.

Some hon. members: No.

The Chairman: The hon. member for Churchill on a point of order.

[*English*]

Mr. Murphy: Madam Chairman, I do not wish to delay things any further, but it seems to me that when you were going through clause 25, the two amendments that were offered by my colleague, Ms. Langan, were not both read.

You read only one of them and you asked for a vote on only one of them. The other one was not dealt with.

The Chairman: They were treated as one amendment, and both were out of order. They were treated as one amendment.

An hon. member: You read only one.

The Chairman: I read only one? I can read the second one for the record:

That clause 25 be further amended by inserting in subparagraph (2) line 33 on page 11 to read: "Notwithstanding clause 25(1), this Act shall come into effect six months hence".

This was also out of order because it brought a new concept to the bill.

Shall I rise and report the bill?

Mr. Hawkes: Madam Chairman, on a point of order, there have been discussions and our understanding was that on the motion to report the bill back to the House we wanted a recorded division. We want an actual count.

• (2230)

And the standing vote having been taken:

The Chairman: I declare the motion carried.

On a point of order, the hon. member for Calgary West.

Mr. Hawkes: I do not think the microphone was on for that voice count and I wonder if you could give it to us. He was at the other end of the table and we could not hear it.

The Chairman: I was given the yeas, 120; nays, 61.

Shall I rise and report the bill?

Some hon. members: Agreed.

Bill reported.

[*Translation*]

Madam Deputy Speaker: Mr. Loiselle, seconded by Mr. Andre, moved that Bill C-29, an Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto, be concurred in at the report stage as amended.

[*English*]

It is the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Deputy Speaker: Shall I dispense with the ringing of the bells?

Some hon. members: Agreed.

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

(*Division No. 43*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clark (Brandon—Souris)
Clifford	Cole
Corbeil	Côté
Couture	Crosbie (St. John's West)
Danis	Darling
de Cotret	Della Noce
Desjardins	Dick
Dobbie	Domm
Dorin	Duplessis
Epp	Fee
Feltham	Ferland
Friesen	Greene
Guilbault	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Hogue	Holtmann
Horner	Horning
Hudon	Hughes
Jacques	James
Joncas	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming)	Malone
Marin	Martin (Lincoln)
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McLean
Monteith	Moore
Nicholson	Oberle
O'Kurley	Plourde
Porter	Pronovost
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
Scott (Victoria—Haliburton)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Turner (Halton—Peel)
Van De Walle	Vankoughnet
Vézina	Vien
Weiner	White
Wilbee	Wilson (Etobicoke Centre)—118

NAYS

Members

Angus	Arseneault
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Baker	Bélair
Bellemare	Bevilacqua

Blackburn (Brant)	Blaikie
Boudria	Brewin
Butland	Caccia
Catterall	Clancy
Copps	Dingwall
Duhamel	Ferguson
Fisher	Fontana
Gaffney	Gagliano
Gauthier	Harb
Harvey (Edmonton East)	Hopkins
Jordan	Karpoff
Keyes	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacLellan
Manley	Marleau
McLaughlin	Milliken
Mills	Mitchell
Murphy	Nault
Nunziata	Pagtakhan
Peterson	Pickard
Rocheleau	Rodriguez
Simmons	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Stewart
Stupich	Tremblay (Rosemont)
Waddell	Walker
Wood	Young (Beaches—Woodbine)—60

PAIRED—MEMBERS

Anawak	Blondin
Callbeck	Collins
Cooper	Edwards
Kaplan	MacLaren
Redway	Worthy

[*Translation*]

Madam Deputy Speaker: I declare the motion carried.

When shall the bill be read the third time? Pursuant to order made Tuesday, September 17, 1991, at the next sitting of the House.

It being 10.42 p.m., this House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 10.42 p.m.

HOUSE OF COMMONS

Tuesday, October 1, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and duty to table two sets of petitions this morning.

The first petition is from residents from the Upsala area in northwestern Ontario who continue to object to the goods and services tax and call on the government to implement real tax fairness in this country.

LITHUANIA

Mr. Iain Angus (Thunder Bay—Atikokan): The second petition, appropriately processed through the Clerk of Petitions, is signed by residents of Thunder Bay who are concerned about the fallout from events in what used to be the Soviet Union. Your petitioners call upon Parliament to ascertain the specific requirements for medical aid in Lithuania, allocate funds for the acquisition of required medical supplies, and expedite the shipment of these supplies to the Government of Lithuania.

PUBLIC SERVICE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise today to present two petitions to the House. Both concern the government's back to work legislation. The petitions are signed by Canadians resident in the Northwest Territories, the Ottawa area, Moose Factory, Ontario, Baker Lake in the Northwest Territories and in Iqaluit.

These Canadians are appalled at the government's insensitivity to the needs of its public servants and they call upon Parliament to reject the imposition of wage controls and to reaffirm our support as a Parliament for the collective bargaining process in Canada.

THE ECONOMY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I too am honoured and privileged to stand in this House pursuant to Standing Order 36 to present to this House a petition certified correct by the Clerk of Petitions. The constituents are from Hamilton, Stoney Creek, Burlington and Brantford. This is only one of many petitions that have come the government's way.

Your petitioners state that the Conservative government's high interest rate, high dollar policies and 33 new tax increases since September 1984 are the source of inflationary pressures. They go on to state many other examples and wrap up with a conclusion as follows: Wherefore your petitioners humbly pray and call upon Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadians workers.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too stand pursuant to Standing Order 36 to present petitions in the House of Commons on behalf of people from Indian Head, Saskatchewan, Prince Albert, Saskatchewan, Quebec, St. Catharines, Deléage, Cap Rouge and many many towns and small villages in the province of Quebec.

• (1010)

These people are also very concerned about the number of taxes and the high interest rates that this government has imposed upon Canadians, taking away their purchasing power. They are concerned that this will only deepen the recession in this country. The petitioners are also very concerned about the wage limits that have been imposed upon public servants within Canada.

They call upon Parliament and pray that we will reject the imposition of wage controls and reaffirm our support for the free collective bargaining rights.

[*Translation*]

WORKERS' RIGHT TO COLLECTIVE BARGAINING

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I have the honour today to submit some petitions that were signed by residents from the province of Quebec. These petitioners humbly pray and call upon Parliament to reject the imposition of wage controls and re-affirm support for free collective bargaining for Canadian workers.

[*English*]

CANADA POST

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of my constituents in the city of New Westminster, British Columbia.

These petitioners state that their post office in New Westminster on Columbia Street is a vital part of their community. They say that closing this post office and replacing it with a commercial service centre for services to businesses will only establish two classes of Canadians.

This arbitrary decision was made without any consultation with the residents in New Westminister who will be affected by this decision.

Therefore, the petitioners are calling on Parliament to halt the plan to close the New Westminster post office and replace it with a commercial service centre.

The petition has been signed by hundreds of residents of the city of New Westminister.

THE ECONOMY

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I too have the privilege of presenting petitions on behalf of people objecting to the fact that the government's high interest rate, high dollar policies and new taxes or tax increases—33 since September 1984—are the source of inflationary pressures and not wage demands by workers of Canada.

The petitioners are from Brampton, Ontario; Woodbridge, Weston, Ontario; Etobicoke, Ontario; Toronto, Mississauga and Sydney Mines, Glace Bay and from Thompson, Winnipeg and numerous other smaller communities throughout Manitoba.

On the petitioners' behalf, I present this petition asking Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to rise to present three petitions from Canadians in and around the metropolitan Toronto area.

These electors recite the decision of the government to impose wage controls on the federal civil service. There is significant damage perpetrated by the government's policy and the collective bargaining process for our Public Service.

The petitioners call upon Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for all Canadian workers.

[*Translation*]

WORKERS' RIGHT TO COLLECTIVE BARGAINING

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to submit today, pursuant to Standing Order 36, a petition which states that the Conservative government's high interest rate and high dollar policies and 33 new tax increases since September, 1984, are the source of inflationary pressures.

Of course, the petition says that wage control in the public sector has indeed a negative impact on all Canadian workers' wages, that no flexibility is possible when you restrict everybody's salaries without distinction, that the federal Conservative government is willing to deprive workers throughout Canada of their right to collective bargaining, to threaten them with lay-offs, especially because of contracting out, to interfere with the conciliation and arbitration process and to legislate employees back to work.

Therefore, the undersigned, your petitioners humbly call upon Parliament to reject the imposition of wage controls and to reaffirm its support for the free exercise by all Canadian workers of their right to collective bargaining.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some hon. members: Agreed.

Mr. Speaker: The hon. member for Kingston and the Islands on a point of order, and then we will hear the hon. member for Winnipeg—Transcona.

Mr. Milliken: Point of order Mr. Speaker. My question No. 17 on the Order Paper is still sitting there. It is dated May 13. That does not sound that old although I did ask for a 45 day reply. In fact it is the same question I put on on February 25 in the last session. It is still not answered. This is an outrageous delay.

I know why the government does not want to release the information. It will be humiliated and embarrassed by the result of the release. I submit that it is not proper for this government to sit twiddling its thumbs instead of providing answers to questions in this House which of course it is obliged to do. They are answerable to the people in this House. These questions are put by members of Parliament for good reason and we are entitled to replies.

I request Your Honour to impress upon the government the need for dealing with this in an expeditious way. My question is not the only one from May 13 but it dates from February 25 and this reply has been forthcoming for far too long.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I have two points of order, the first of which has to do with the fact that yesterday during Question Period a question was asked by the Parliamentary Secretary to the Minister of State for Finance and Privatization.

I understand that this is the second time in recent weeks that a parliamentary secretary has asked a question.

I am sure you will know, Mr. Speaker, that the asking of questions by parliamentary secretaries is not established or accepted practice in the Canadian House of Commons. It may come to be at some point, but I am sure you are also aware that we are engaged in a process of reviewing the format and the nature of Question Period. A subcommittee of the Standing Committee on House Management has been struck to do this and this work will be ongoing as part of the work of that committee and as part of the intention of the government to review the format and the nature of Question Period.

It seems to me that that work should not be pre-empted or anticipated or in any way affected by *ad hoc* changes to Question Period such as are constituted by this repetition of permitting a parliamentary secretary to ask a question in the House of Commons.

I hope, Mr. Speaker, that this is an oversight, a second oversight. I hope that you will be able to tell us that this was so, that we will not have to worry about this again, and that the process of reviewing and reforming Question Period can carry on without the anxiety of thinking there is some kind of process happening extraneous to what the committee is doing.

SPEAKER'S RULING

Mr. Speaker: I want to respond immediately to the hon. member for Winnipeg—Transcona. He raises a point and he is correct that twice within the last couple of weeks a parliamentary secretary has been recognized.

I want to say first of all to the hon. member and to the House that that was an inadvertence and an oversight on my part for which I apologize if it has caused any anxiety.

I want to make it very clear that the sixth edition of Beauchesne's, citation 413, deals with questions by parliamentary secretaries and I read the section:

> Those such as Parliamentary Secretaries who are clothed with the responsibility of answering for the Government ought not to use the time of the Question Period for the privilege of asking questions of the Government.

It cites *Debates*, November 5, 1974, pages 1059–64.

That practice has been adhered to and there may have been a slippage out of inadvertence, but that practice has been adhered to and I want to assure the House that I am not unilaterally changing the practice.

The hon. member for Winnipeg—Transcona on another point.

SPECIAL JOINT COMMITTEE

Mr. Bill Blaikie (Winnipeg Transcona): On another point of order, Mr. Speaker. Thank you for your response to my first point of order.

My next point of order has to do with the language being employed by *Journals* in the title of notices going out with respect to the special joint committee which is considering the government's constitutional proposals.

In the order setting up the committee, it is referred to as the special joint committee and then there is a rather lengthy description of what the committee will be considering. But in the *Journals* titling of the notices, we find this special joint committee referred to as the Special Joint Committee on a Renewed Canada.

• (1020)

There has been no decision taken or no process followed by which to arrive at a description of this committee as the Special Joint Committee on a Renewed Canada. The purpose of the committee is to consider whether or not these proposals will in fact lead to a renewed Canada and whether the judgment of Canadians will be similar to that of the government, that these proposals will lead to a renewed Canada. It may be unintentional, I am sure it is, but there is an element of presumption, almost of propaganda to put it pejoratively—but I don't mean it quite that way—in the title of the committee. I think this kind of liberty should not be taken by whoever has taken this liberty of describing the committee in this way, and I would hope that more technical and objective and non-loaded ways of titling committees could be formed. Again, this is a new practice, in my experience, that this way of describing committees might be employed.

I would ask you to look into it and perhaps to report back to the House as to what could be done to prevent this sort of thing in the future and to do something about the naming of this specific committee.

Mr. Speaker: I can assure the hon. member that I will look at the matter immediately. If it is appropriate to stay with the more technical name, that will be done; in the meantime, I will consider the situation. I think it should also be clear, of course, that the committee could, if it wished I suppose, and if that was done in the appropriate way within the committee, come up with a name which met the approval of the committee.

However, I accept what the hon. member has said, that that has not yet been done and I will look into it.

GOVERNMENT ORDERS

[*Translation*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): moved that Bill C-29, an Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto, be read the third time and passed.

—He said: Mr. Speaker, on the occasion of third reading of Bill C-29, an Act respecting compensation in the public sector, I would ask all members of the House to debate this bill as quickly as possible, so that it can be considered and passed by the Senate. Thus Canadians will again be able to receive essential services and everything will go back to normal.

[*English*]

Picketing by the Public Service Alliance has become more violent and aggressive each day. Services to Canadians are being increasingly disrupted and Canada's international reputation as a reliable supplier of grain to the rest of the world is again being threatened. But Public Service Alliance picket captains and some members continue to disregard a ruling made on September 23 by the Public Service Staff Relations Board to, and I quote:

> —stop from interfering with, impeding or preventing designated employees from reporting to work.

It appears that alliance leaders have very little respect or regard for the law. Having been told to stop illegal strike activity by this agent of Parliament, the alliance has chosen to ignore the ruling and to embark on still more illegal activities.

I wonder if alliance members are really proud that they have been able to shut down of the port of Vancouver. I wonder how many alliance members are proud that the union has been able to prevent nurses from entering the veterans' hospital at Ste. Anne de Bellevue to care for their patients, many of whom are seniors.

The union leadership does not seem to mind that the livelihood of many of our farm producers is being threatened by their strike activities. I would like to remind hon. members that the plight of these same farmers was described in desperate terms by opposition

members during Question Period in this very Chamber only yesterday.

If the welfare of Canadians and the faith of the economic recovery do not concern the PSAC leadership, they concern me greatly. Commuters and ordinary Canadians living in the national capital region had this brought home to them this morning.

PSAC picketing has become disruptive without regard to the law or the rights and livelihood of members of the public to get to and from work on public transit.

[*Translation*]

The union has increasingly resorted to insults and intimidation, even going so far as to call some of its own members good for nothing. Yesterday, Alliance strikers threw eggs and tomatoes at nursing staff of the Ste. Anne-de-Bellevue hospital, although, Mr. Speaker, these designated employees had to report to work because public safety requires it. They are not even in the same union.

Mr. Speaker, it is most regrettable that many Alliance members who have chosen to continue to work, as is their right, have been harassed and threatened by their own union which, lacking logical means of persuasion, has tried desperately in this way to rally their support for a futile strike.

Many employees, Mr. Speaker, understand the justification of the government's salary policy because they see it in the broader economic context and realize that it is useless to lose several weeks of pay. I am convinced that most Alliance members, who are law-abiding citizens, will want to put these points of view across to their union leaders.

Meanwhile, Mr. Speaker, I think that it is in the interest of all public servants, including members of the Public Service Alliance of Canada, for members of all parties to recognize that this important bill must be passed as soon as possible, if we want to end the strike once and for all.

[*English*]

I would now like to summarize some of the principal elements of this bill and to briefly go over the rationale as to why this government feels the wage restraint must play its part in securing and enduring economic recovery.

Anyone who has followed this issue over the last several weeks will attest that the government has taken the more difficult path to achieve wage restraint. Expediency has not driven this government. Why is that?

It is because, despite the commentary of some opposition members to the contrary, this government respects the collective bargaining process and respects as well the rights and views of union members.

It would have been so easy to have chosen the simple way and legislated the wage restraint program immediately after it was announced as previous federal and some provincial governments have done.

Needless to say, the government's legal advisers examined jurisprudence in this respect to determine whether the legislative method of securing wage restraint was a viable course to take and could be justified and defended as an approach given.

I am assured that it is and that it can be given the economic conditions that have given rise to the decision.

Before resorting to legislation, I was determined to appeal to the unions to think through and come to understand the government's reasoning in limiting wage increases. I wanted to communicate to them how wage restraint can eliminate the principal fuel of inflation and reduce the incentive for price increases. I wanted an opportunity to demonstrate to union leadership that they and their members were not being singled out for harsh treatment by the government. I told them, I know, that zero and 3 per cent would be hard to accept and was not a true reflection of what their members' contribution to Canada was worth.

• (1030)

Nevertheless, I wanted them to understand that hundreds of thousands of Canadians have paid a far higher price during the recent recession. They had lost their jobs or they had taken big pay cuts and given back benefits in an effort to keep their employer afloat and maintain jobs.

I wanted to persuade union leaders that every sector, every Canadian had a part to play in the economic recovery and every Canadian would benefit because of it.

[*Translation*]

Mr. Speaker, since it took power in September 1984, inheriting an enormous debt, the government has adopted more of a private-sector management style. Nevertheless, we note that although the government has greatly improved its efficiency, it is still running a deficit.

Had we granted a pay increase to our employees this year, we would have faced the following choice: either we would have had to eliminate jobs to pay for this increase, which would have reduced services to the public; or we would have had to borrow more, which would have added to the deficit.

[*English*]

This government chose the best interests of Canada over the immediate financial interests of its employees, but not without giving it a great deal of consideration. If this had been almost any other employer, you can bet that many employees now facing zero and three would have suffered the same fate as their counterparts in industry.

I must remind hon. members that over the entire course of the recent five-year downsizing program, our employees enjoyed a 99.5 per cent rate of job security within the Public Service. Public Service employees enjoy an invaluable job protection package and their total benefits package is comparable to that of good employers in the private sectors

While zero per cent this year and a 3 per cent raise next year may sound harsh to those who now have a job, our employees should remind themselves that there are approximately 40,000 candidates prequalified and interested in being hired for jobs in the federal Public Service. There were 236,000 applications for Pubic Service jobs last year alone, a number equal to the size of the entire Public Service itself.

Clearly, there are a great number of Canadians who would like to have a chance to have a Public Service job, even with no wage increase this year.

They should remind themselves, as well, that Pubic Service managers by losing their performance pay this year, will suffer an actual pay cut rather than just a freeze. This comes at a time when their ranks are already undergoing a 10 per cent cut over two years, proportionately a far more severe downsizing than employees in general went through over the past several years.

[*Translation*]

I must admit that many of our employees, in particular those who have the legal right to strike, do not earn big salaries. Many of them have significant family responsibilities and have already been sorely tested. Unfortunately, the strike will only cost them more, but I think that the time for reconciliation has come.

I therefore ordered my officials at the bargaining table to make every possible effort to reach a negotiated settlement with the Alliance, one that would strengthen or improve existing benefits while respecting the overall program of salary restrictions.

Mr. Speaker, I think that what we agreed on was in keeping with our ability to pay. Furthermore, we did all we could to follow up their other concerns: pay equity and issues related to job security. We offered a lump-sum payment to employees whose income was less than the average salary in Canada. We increased the number of day care centres in the work place by 50 per cent. We also improved other benefits.

In addition, Mr. Speaker, four other unions have already reached agreements with our negotiators and these agreements comply with the salary policy of 0 and 3 per cent, which clearly shows that a settlement was possible.

Mr. Speaker, in the end, we were unable to reach a negotiated settlement with the leaders of the Public Service Alliance of Canada. They left the bargaining table and broke an agreement I had made with the President of the Alliance whereby members of the Public Service Alliance of Canada would remain at work while negotiations continued. The Alliance leaders rejected the improvements contained in the offer I just described and did not submit it to their members. Instead, they chose to send their members back out on the picket lines, which in many regions has disrupted the access to work of must public servants.

The disruptions caused by the picketing are again threatening the safety of all Canadians. The Alliance's activities are endangering the safety of our own employees on the picket lines—not only Alliance members but also members of other unions, managers, customers

and ordinary citizens who are trying to go to work or use government services to which they are entitled.

[*English*]

It is time these picket lines, disruptive and dangerous as they have become, were ended and our employees came back to work. It is time that Bill C–29 was passed so that the zero and three wage policy can be extended to all of the other groups that it encompasses: to the Prime Minister, the federal cabinet, and all members of this House, to the Senate and the employees of Parliament, to the members of the Canadian Armed Forces and the RCMP, and to heads and employees of other government bodies that are non–commercial and not normally self–financing.

Bill C–29 would extend 0 and 3 to a total of 378,000 federal public sector employees and officials and not only to the 156,000 PSAC members.

It is time that the benefits of Bill C–29 were brought home to all taxpayers and that any uncertainty be put to rest that the government might waiver from the economic recovery plan announced in the budget. That recovery plan is working. Make no mistake about it. That is why I commend this bill to all hon. members for passage.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I welcome the opportunity to comment on the bill one last time and to highlight the fact that this bill does something very serious, not only for the specific employees that it affects but for all Canadians.

It removes a fundamental democratic right to collective bargaining. This is a right that Canada has accepted in international conventions that it has signed. It was implemented for workers across Canada in legislation. It was implemented under the Right Hon. Lester B. Pearson for employees of the Public Service in 1967 and that has never been abrogated as it is being abrogated today.

It is not coincidental that objections to this bill have come from unions in other public sectors such as provincial and municipal, from the Federation of Teachers and numerous unions that represent teachers and from private sector unions.

• (1040)

People who have any knowledge about the history of labour relations know it is only the actions of workers that stopped 10–year old children from being sent down to the mines, that allowed people to work a reasonable number of hours a day and still have some time for a personal life and for family, that allowed workers to attain decent, safe, healthy working conditions instead of being required to put their lives at risk just to have a job, and that allowed workers to use their labour in exchange for a decent living which at least allowed them to survive on the money they were earning with their labour.

Collective bargaining rights allow an ordinary worker, who is dependent on somebody else for the very food with which they feed their families and for the money to pay for shelter and buy clothes, some small measure of power to balance off the tremendous economic power that an employer has over the life of that worker and the lives of his or her family.

All Canadians need to be concerned when the government can cavalierly cancel any basic democratic right as it is doing with this bill for a period of two years.

The government did that the night it announced its budget on February 26. It said there will be no collective bargaining. It said this government was not interested even in bringing in a third party mediator, arbitrator or conciliator who might possibly bring some objective evaluation to whether the government is acting responsibly and fairly.

The government rejected, as of February 26, all possibility of a peaceful, reasonable settlement between it and its employees. I want to make clear that the employees have never said they were not willing to live with the economic policies of the government. They have just said that there are other things to be negotiated and they want to be able to sit down at the bargaining table and negotiate those other things.

The minister referred to a number of the effects of the strike. What the minister refuses to do is to take responsibility for that strike. There is not a Canadian who does not understand that this government is lower in the polls than any other government in the history of Canada has ever been. It is desperate to hang on to the shreds of popularity that remain to it and to do whatever it can to build those up. It really does not care who it hurts in the process.

Who it has hurt in the process is not only its own employees but small businesses that are dependent on the delivery of goods and services and people who travel whether on business or to visit family. It has hurt people, as the minister said, our veterans in hospital. It is jeopardizing a large portion of our grain harvest. It is jeopardizing our international trade. It is jeopardizing our reputation as a nation that works co–operatively among the different sectors in society and can be relied

on in international markets to deliver what it says it is going to deliver.

This has been the pattern of the government. It has very carefully selected vulnerable targets. It has used the elderly. It has used the unemployed. It has used seniors. It has used aboriginal Canadians. It has selected those people in society who have the least power to defend themselves and has systematically sought to turn the anger of the Canadian public away from the government, against its own fellow citizens.

A government that should be building a nation, that should be solving problems instead of creating them, that should be building co-operation and collaboration for the many challenges we face for the future instead has chosen to pit one Canadian against the other, to persuade Canadians that their prosperity depends on somebody else suffering. That is a cruel, destructive, vicious approach to trying to protect its own political popularity, and fortunately the polls are saying to everybody that it is not working.

I want to address some specific points the minister made. The minister talked about nurses being prevented from entering hospitals. I want to remind the minister of approximately a year and a half ago when again this government forced the lowest paid of its workers on to strike, the hospital services workers who serve those same veterans, who serve aboriginal communities and deliver health prevention programs. Those very same strikers, at their own expense, continued to provide essential services in those hospitals.

This gallery was full during that strike. While this government was forcing those people back to work because it had refused to negotiate a settlement with them, this gallery was full of nurses and dietitians from Ste. Anne de Bellevue, the same hospital the minister just mentioned. The nurses, the dietitians and the doctors who were filling these galleries in support of those workers know that without those people who are earning a miserly $17,000 a year, they cannot do their professional jobs of looking after the sick, the elderly, and those who have suffered and are disabled because they have fought for this country. Those same workers who earn only $17,000 a year, were never treated fairly by this government, but provided those services even while they were legally out on strike.

The government did exactly the same thing to the ships' crew workers. It failed to designate people who go out to sea at risk to their own lives to save others as essential workers, so we had a strike of the ships' crew workers in December 1989. Again the government did not heed the calls from this side of the House for four months to get back to the bargaining table and negotiate a settlement, and the strike happened. It disrupted transportation in the Great Lakes—seaway system at a cost of a million dollars a day. This government ignored every warning that that was exactly what would happen in December if it did not reach a solution before then.

What did the ships' crews workers do? Did they do what the government had planned for them to do: withdraw essential services? No, they did not. At their own cost of half a million dollars and at inconvenience they left their own families. They stayed in hotels to be available should any emergency arise and were able on a couple of occasions during that strike to put out to sea to save lives. In a crisis which this government had created they set aside their own right to be on strike and at their own expense made sure they kept doing their jobs. This government should do the same.

The minister has referred to the disruption in the grain trade right now. This is a very serious situation, and we are well aware of this serious situation. Back in February when the government decided not to negotiate with its employees, one thing it knew with absolute surety was that the grain elevators would be full of wheat in September. Did this government designate those grain workers as essential when it had the opportunity to do so? No, it did not. Did this government deliberately want to create a crisis in the transport of grain in this country and our shipments to the Soviet Union, and create a crisis in the destruction of a crop for our western farmers? That is the only explanation I can think of as to why it did not designate grain workers as essential workers.

• (1050)

This government thrives on creating crises. It has created a crisis in our economy. We are seeing jobs leaving the most prosperous parts of our country. They are jobs that are going and not coming back. It is creating a crisis in employment. One and a half million people, on this very day, are unemployed in this country. The total throughout this year of how many people have been unemployed is going to be many, many million. How

many families does that touch, across the country, during the year with crisis?

It has created a crisis in the very continuance of this country. I almost hate to talk about it at this point because it is so fragile. A government that only knows how to create crises is not a government that can build a strong nation ready for the next century.

Because it has created this economic turmoil, it is trying to persuade people that they are lucky to have any job at any salary. That is back to the old days of the robber barons, when if you owned a business, and if you were bigger than the little business beside you, you just put them out of business. You put their employees out of work and you did not care about that.

That is the kind of country this government would like us to go back to where only those who are rich and powerful can hope for a decent life in this country. That is not the Canadian dream. That is not the country that the people who have sat in these seats for generations before us planned for our children and our grandchildren.

The government has created economic turmoil since co-operative relationships between business and labour, management and labour, at all levels are absolutely essential to progress and prosperity for any nation.

The minister has talked about violence. The minister has said: "We are not to blame. It is those poor people out there on the picket lines who earn $20,000 a year. They're to blame." We had the minister again yesterday in the House saying: "We are not guilty of bad faith bargaining," and trying to mislead Canadians about what the Public Service Staff Relations Board actually ruled.

I want to read this because honesty has become a real issue in this whole debate. I want to read what the Public Service Staff Relations Board said, having heard from government lawyers, having heard from union lawyers, having heard all the evidence. We will know who is responsible for what is going on right now. "This board, in general, shares the views expressed in the cases cited above: The obligation provided under the Public Service Staff Relations Act to bargain in good faith, and make every reasonable effort to conclude a collective agreement, is not substantially different for this employer than it is for any other employer in any jurisdiction in Canada. The insistence on conditions precedent to negotiating terms and conditions of employment at the bargaining table is incompatible with the requirement to make every reasonable effort to negotiate a collective agreement. Accordingly, the board finds that the employer has acted contrary to section 51 of the act and orders the employer to comply with section 51 of the act."

The minister tried to pretend in this House yesterday that being in violation of section 51 was not a condemnation of bad faith bargaining. Let me read into the record, and let me read for Canadians who would like to know whether they can ever believe the government, what section 51 states: "Where notice to bargain collectively has been given the bargaining agent and the officers designated to represent the employer shall, without delay, but in any case within 20 days after the notice is given, or within such further times as the parties may agree, meet and commence to bargain collectively in good faith and make every reasonable effort to conclude a collective agreement." Section 51 is the section of which this government is in violation and has been in violation since last spring. That is the section that imposes a duty on both parties to bargain collectively in good faith. This government has violated that section no matter what the minister stands up and says in this House to try and pretend it has not.

The issue is not who has started the fight. I think the evidence is pretty clear that this government, since February 26, had no intention of reaching a conclusion or settlement with its employees. It was obviously prepared to jeopardize the economy of this country, the transportation system, services to Canadians, anything that Canadians are paying for, to impose its own particular agenda and to find whatever victim, whatever scapegoat, it could find to deflect attention from its many failings.

The issue now is how it can be solved. How can we return services to Canadians, how we can return the employees, who want to be back at work, to their jobs? We should not do it with this legislation. If we send people back to work under this legislation, we send people back in an atmosphere of bitterness and total loss of self respect. We send them back with even more worries about how they are going to pay the rent and how they are going to feed their children because this bill represents a loss of income to people, a serious loss of

income. People who are worried, people who lack self respect, people who lack confidence in their employer, people who feel bitterness toward their employer are not productive and efficient workers, no matter how hard they try.

This government has stored up problems for the Public Service of Canada for a long time to come. It is a terrible thing to do to Canadians who pay for services through their taxes and to people who, for a long time, have been proud of serving the people of Canada. These people are defending rights that are important, not only to them, but to all Canadians. A government that can remove rights from one group of Canadians can remove rights from many groups of Canadians.

We have seen it do that already with old age security. People who have saved and worked all their lives are now being told that what they saved and worked for, in true conservative principle, is going to be taken away from them.

The government has done it to the unemployed. There is an unemployment insurance scheme, but the government is going to make sure that a lot of people who most need it, in the areas that most need it, and I think particularly of Atlantic Canada, are not going to be able to qualify for unemployment insurance. They are going to have to pay into it, but they are never going to be able to benefit from it.

This issue has become an issue of honesty. We have seen how the minister, on the floor of this House, denied that the government was guilty of bad faith bargaining, despite a ruling by the Public Service Staff Relations Board whose purpose is to ensure that collective bargaining operates fairly for both sides. We have seen ads placed by this government saying that its budgetary guidelines apply to the Armed Forces and the RCMP. That is simply not true.

The budget of this government did not apply wage restraint to the Armed Forces, did not apply wage restraint to the RCMP. As of the date of publication of that ad, that was an untrue statement. That is an untrue statement today, that will be an untrue statement tomorrow, and it will be an untrue statement until this Parliament passes this savage piece of legislation that the government has put before us.

It has become a question of honesty. Again, the government said that this applies to all members of Parliament. Well, it is really easy this year. When inflation is 6 per cent, we are going to get our nice healthy 3 per cent raise. Next year, when we go into a year where we are going to a get zero increase, we will still have that nice, healthy nearly 4 per cent raise that we got this year.

• (1100)

That is not fair. That is just not fair, and it is not honest to tell Canadians that we are taking the same punishment everybody else is.

That is nonsense. It has become a question of honesty. The ad placed by the government said that other agreements and other unions have accepted 0, 3. What the government forgot to say was that, for much better paid groups of employees, it has reached settlements that are very generous in fact.

It has done them in other ways other than by increasing wage rates. It has improved classifications. It has given people bonuses. It has given them extra premiums for various kinds of things, but it has meant that employees earning say $50,000, $70,000, such as engineers, translators, air traffic controllers, have got in fact substantial increases in income this year.

For this government to pretend that those people are getting nothing, and therefore the lowest paid should be getting nothing, is absolutely incredible.

It will not tell Canadians the truth. It will not even tell this House the truth about those other agreements, and about how much extra income those other people are earning because of special deals made by this government. To not even tell the truth about that at this point in time, when all we are doing is looking for a solution to it, is unconscionable.

It has also become a question of fairness. One message that has got through to the public is that we have a lot of people working for the Public Service who are not earning very much money.

What has also got through to the public is that, disproportionately, a lot of those people are women. Mr. Capello said that 35,000 people would be getting this bonus because they earn under $27,000, and that 25,000

of them are women. That is a record that this government should be ashamed of, the fact that the vast majority of its lowest paid employees are women.

We moved an amendment yesterday to ask the government to make sure that it implemented pay equity rather than treating it as something to be negotiated at the bargaining table. It is the law of Canada, after all and any other employer would have to live with it.

This government refused to consider that amendment. We did not say: "Add more money to employment equity." We just said: "Stop paying these phoney token payments to people, as if they do not deserve them as part of their salary, but make these payments part of the salary so that they fully qualify for other benefits such as pensions".

No wonder most of the elderly poor in this country are women, when they cannot even earn wages that reflect the value of the work they do. This government refuses to implement pay equity.

The Human Rights Commissioner has slammed this government for its refusal to implement pay equity. The minister can stand up all he wants, such as yesterday, and talk about how much money the government is putting into pay equity. He knows that that is one-third of what is needed to give groups of employees in the government, who are primarily women, equal pay for similar work being performed by groups, who are primarily men, and who are much higher paid.

He knows that that should be incorporated into salaries. That is the only thing that is true pay equity, and he has consistently refused to it. He has consistently insisted on fighting the Human Rights Commission when it tries to make a decision that will introduce pay equity into the Public Service.

I challenge the minister to explain why this government wants to talk about pay equity but not implement it.

Bonuses is another issue of fairness. The minister has been waffling all over the place on that in the last week. I want to point out to Canadians that whatever the minister has said in the media, whatever the minister has said in the House, again we have to look at the facts. The facts are that in the legislation before the House today, this government intends to implement bonuses which are specifically exempted from any controls.

An amendment was introduced in the House yesterday to take out that exemption so that bonuses would be included in the freeze on increases. The government did not accept that amendment. This government, despite the minister saying in the House and in the media that there would be no bonuses, has insisted on bringing forward a law that exempts bonuses from any limits.

This government has brought forward a bill that allows it to exempt any employee or any group of employees from any of the provisions of this act, giving it full freedom to play favouritism as it has done up until now, with contracts to those who are doing well already and to bring down the hammer on those who are not.

The government published an ad that said it has offered pay equity. It has offered to incorporate pay equity into salaries. The government is very clever about not telling the truth. What it did not tell people is that it is only a small portion of what those groups of employees are due, and that it does not intend to do it tomorrow, but to do it some time in the future.

If the government is going to be spending my money and the money of the taxpayers of Canada to put out advertisements, those advertisements had better tell the truth, and this one did not.

I challenge the minister or one of the speakers from the government side to say how this government is going to implement, in legislation, the promises the minister has made in the media, that there will be no bonuses. Not that I agree with that. Not that I think it is fair. I do not think this whole piece of legislation is fair. I think everybody should be treated the same. I think that what applies to one should apply to all. The minister cannot simply stand up in this House and say he is going to do something and then go to the media and say he is going to do something and then refuse to put it in this piece of legislation before us.

The minister has talked about economic recovery. This kind of turmoil does more damage to economic recovery than any amount of fair negotiation might do. I want to touch on one more point.

In the last few years the government has insisted on firing people and contracting out a lot of work. The minister said that not many people have been touched by the downsizing lay-off program. He is wrong. He is totally ignoring the tens of thousands of people who have

been forced to take early retirement, forced to take reduced pensions because this government wanted to get rid of their jobs and give them to somebody else who could be brought in on a contract at a much higher price to reward friends.

The whole compensation package of the Public Service Alliance of Canada is less than the cost of contracting out by this government—$5 billion minimum in contracting out and that does not count all the little bits and pieces here and there throughout the departments. That is only the tip of the iceberg of contracting.

This government brings in somebody to work beside a government employee, but one is on a contract and one works for the government. Is the one on contract subject to this limit on compensation? No. If you are a friend of the government and you have a nice contract, you can get an increase and there is no limit on it. It is just the whim of how well they want to reward this person.

This government has tried to say it is being fair and that this applies to everybody. That is nonsense. This government specifically rejected an amendment last night that would have included independent contractors in the same compensation package that is being applied to all government employees.

• (1110)

When the price of contractors is $5 billion and the price of the whole Public Service Alliance is $4.7 billion, how can the government pretend its agenda is really fiscal restraint when it is refusing to apply the same limits to its independent contractors that it does to its own employees?

I think Canadians have learned in the last few weeks that the mistrust they have for this government has been demonstrated again in its dealings with this strike. The Public Service is not a group of lazy, over-paid people that the government has every right to want to be rid of and to punish. Public Service workers are just like the factory workers in Ontario who are losing their jobs, just like the farmers who are losing their farms, just like the small businesses that are suffering because of the policies of this government, just like the middle income families who are paying more than their fair share of taxes while those in the upper income brackets are paying less, just like the poor who are being told that the Government of Canada is no longer interested in paying its share of the social safety net in this country, and just like every other segment of society, except the rich and powerful, who have somehow become victims of this government.

People have come to see over the past couple of weeks that this is just one more target for a government that cannot manage and cannot run the economy and we are all suffering from it.

This has been a difficult issue. It is one we should never have had to face and it is one from which we will be feeling the repercussions for many months and perhaps for years to come. You cannot run a country without a good Public Service. This government has systematically undermined the Public Service and made it more difficult for Canadians to get value for the money they pay in taxes. It is an approach that is not helping reduce the debt and the deficit, they keep going up, but it is hurting services to Canadians. Canadians are tired of paying more and getting less. They have been doing it for too long. They do not mind if it is going to solve problems, but it is not.

This bill should never have come before this House. It was unnecessary. The turmoil in the country for the last few weeks has been unnecessary, but it is the kind of thing that this government likes to do. It gets some kind of perverse pleasure out of pitting Canadians against Canadians and causing disruption to their basic services.

Mr. Speaker, we will be voting against this bill, of course, later today. We urge the government to take one last chance to avoid this kind of divisiveness and reach a solution with its employees. That is still possible. It owes that to Canadians.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I want to start today by quoting some words that were written seven years ago: "Economic equality is the vehicle through which women will come to full partnership and participation with men in our society. Parliament has committed the federal jurisdiction to equal pay for work of equal value. My government agrees that this concept is one of the keys to the achievement of economic equality for women."

Mr. Speaker, those words were written in the Conservative government's throne speech, its promise to Canadians in 1984. It is 1991 and we see a government that is

legislating people back to work instead of negotiating pay equity.

Lower wages for women developed a long, long time ago. It is based on assumptions, assumptions that women have no dependents, are supported by someone else and are inferior to men.

We know this was never really the reality, let alone today. Yet these are the assumptions that this government is entrenching when it insists on paying women less for work that is just as skilled, for working conditions that are just as hard or just as difficult, for work that requires the same amount of responsibility as that work that is traditionally performed by men.

A study that rated thousands of Public Service jobs found that community health nurses, mostly women, were making far less than pesticide officers, mostly men. They found that chiefs of library services, mostly women, were making $6,000 less than other government managers. It found that processing clerks, again mostly women, were making thousands of dollars less than labourers.

Since 1978, it has been illegal in this country to pay unequal wages for work of equal value. There have been pay equity complaints filed against the federal government with the Canadian Human Rights Commission over the past 10 years. They began under the Liberal administration and they have continued under this Tory administration. It can take years before a complaint is heard.

The Human Rights Commission is not equipped to solve and enforce the vast number of pay equity complaints it receives. It now has some 68,000 pay equity complaints that have been lodged against this federal government, 68,000 to examine.

The Public Service Alliance of Canada is a union which represents many low-wage women, clerks, secretaries, in the Public Service.

In 1985, all 13 Public Service unions agreed to work with management to achieve pay equity. Some 4,300 employees filled out lengthy and detailed questionnaires, but in 1990 the alliance pulled out of the five-year joint union/management study of pay equity because the government refused to budge.

Federal clerks earn between $16,500 a year and $40,000 a year. The majority of them earn between $19,000 and $26,000 a year. These are the people we are talking about. The President of the Treasury Board has said that Public Service employees have to accept no wage increase, even after years of increases that have been lower than other workers in Canada and, in fact, lower than the rates of inflation in the country. He keeps saying we are living beyond our means. I wonder what means he is talking about. Clerks, who are also mostly women, earn $19,000 to $26,000 a year. A federal hospital worker, again a female dominated job ghetto, earns about $18,000 a year.

I wonder if the minister has ever tried to raise a family alone on a gross wage of $18,000 a year. The minister's salaries and benefits have gone up by $15,000 a year since last year. The money he is receiving has increased by almost the entire amount of the salary of some of these female employees whom he says will get no raise at all.

Is that fair? Is that just? Senior public servants, those making $80,000 or $100,000 or $120,000 a year got a 4.2 per cent increase. But a single parent earning $19,000 a year is to get zero per cent. When you factor in inflation, this person is earning less and less and less every year.

I read a media report recently about a Public Service clerk, a single parent, who has to go to the food bank by the end of each month to feed her family.

It seems to be the government and its friends who are living beyond our means, certainly not low wage Public Service sector employees.

Low wage Public Service employees do not have the means with which to live beyond their means, in fact. So why is the government not cutting the salaries of the people at the top, the fat cats, instead of eroding those of low and middle-income workers and their families.

This government's idea of pay equity is very bizarre. Women are being given one-quarter of what they are owed for work they have already performed and were underpaid for in relation to men. Now these women must pay higher taxes on this income than their male counterparts paid years previously. The annual salary equalization adjustments represent only one-third of what these women should receive.

• (1120)

The Canadian Human Rights Commissioner, the chief of equal pay, confirmed that this government's idea of pay equity contributions are half the rate that other major public employers in Canadian and American jurisdictions are granting.

Since 1990 this government has twice attempted to block in the federal courts the Canadian Human Rights Commission from investigating the pay equity situation. Twice it has tried to block it.

Commissioner Max Yalden said last month that the federal government is not playing fair with striking Public Service employees. He found it, and I quote, "very strange that the government is still trying to kill a human rights tribunal set up to resolve the pay equity issue", while at the same time he is telling striking employees that this issue should be dealt with by the tribunal and not at the bargaining table.

Just what is the government playing at and why is it playing with the lives, the health and the incomes of low wage earners and their families?

In early 1990 the Task Force on Barriers to Women in the Public Service, which was chaired by Senator Pat Carney, released a report. Among the documentation that it presented, it showed that 75 per cent of all women in the Public Service are concentrated in four fairly low paying job groups: secretarial, clerical, administrative and program management. It also found that women tend to be compressed at the lower echelon of even these classifications. In other words, they are not even the heads of their own job ghettos.

Job security is a big issue for women in the Public Service. Twenty per cent of all women Public Service employees are in term positions, 60 per cent of all the term positions are held by women. This makes them more vulnerable to lay-offs and less likely to receive benefits.

The data show that the federal government is an extremely poor employer of women. It has taken advantage of women employees over years and years and done very little to advance equality of any kind.

We have seen this government pull stunts like this before. It imposed back to work legislation on female federal hospital workers in 1989 instead of negotiating pay equity with them. This was in spite of a 1987 Canadian Human Rights decision in favour of the female dominated hospital service workers.

I want to return to some other lovely words that were said by the Prime Minister during the 1988 election campaign, during the leaders' debate that was televised across the country and I quote: "We are agreeing on a policy of pay equity for women. We are budgeting for the funds required on an ongoing basis to make sure that they are available so that this money will be given to those women who have been deprived of the degree of equality that we seek. The money is being budgeted so that when the agreement is reached it will be there to close the gap. The commitment is there and the money is there. We are beginning at home. We are getting our own shop in order", he said, "I think that this would be, once it is done, an excellent model for the public sector. I think we have to do it properly ourselves and then see if and how we can work it out with the private sector".

Where is that money now, that money that was budgeted for, that money that was set aside? Where is that commitment now? How many more years will it take before the government gets its own shop in order?

We have seen governments that deal with this issue fairly. The Ontario New Democrat government extended pay equity to groups of women in female job ghettos who were excluded from the previous government's policy. One of the very first actions of the Ontario government was to drop the previous government's pay equity court case against nurses and guarantee pay equity for the nurses. It is meeting its pay equity adjustments for public sector workers. Ontario in fact has the most far-reaching pay equity system in North America.

It does not just cover the cost of the public sector, but the private sector under provincial jurisdiction as well.

This government cannot even handle its own public sector. It refuses to negotiate pay equity with its workers. This government should follow the example that has already been set out for it by the government in Ontario.

Pay equity is an issue that affects every woman in Canada. Every battle that is fought brings the reality of pay equity for work of equal value just a little closer for

all women in our society. Equal pay is the law, and it is a law that is being ignored by this government.

One document puts the situation very clearly, and I quote:

> What would your reaction be if you were told that you had just lost thousands of dollars? Anger or shock, sadness that such a thing could happen.
>
> Well, there are millions of women in Canada who are being robbed of thousands of dollars each and every year. It is a fact that women earn less than men for performing work of the same value. Often women earn much, much less; 10 per cent; 20 per cent and sometimes even 40 per cent.

We have a law that forbids the employer from discriminating between men and women and paying wages for work of equal value. This government is ignoring that law.

There is a binding Public Service Staff Relations Board ruling that the government must negotiate with its workers, not force them to accept a zero per cent increase and no pay equity, without even talking. This government is breaking that as well.

I wonder how the government can expect and hope for Canadians to respect the laws that are passed here in this House of Commons when the government itself ignores them.

The government has shown over and over again that it has no respect for Canadians, especially low income women working for low wages, and that it has no respect for the democratic process.

A strong economy and a stable society cannot be built by undercutting more than 50 per cent of the population of Canada, by undercutting women. This is a terrible kind of role model for other Canadians.

Women and all workers are simply not going to take this any more. I often question the government on issues of concern to women. Many times, over and over again, the Prime Minister or other government ministers stand in this House and talk about equality and about how they have appointed a woman to this board or they have appointed two women to another government function or another government board. They speak with such bravado and such boasting tones about how they have appointed more women to positions in government.

It is not good enough for the Prime Minister and the members of cabinet to simply tell us that they have appointed another woman here or there, or that they support the issue of equality for women in our society. This government has an opportunity right now to put its money where its mouth is, to show that it has a firm commitment to equality for women within its own Public Service. We have had enough talk about equality for women. It is not good enough anymore for the government to say equity, they must pay equity.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have a few comments on the speech by the member of the New Democratic party. I may remind her that in 1967, it was a Liberal government that introduced collective bargaining in the Public Service and that the present Tory government is destroying our public service by using strategies like today's back-to-work legislation, contracting out and bonuses as incentives for senior, in fact, very senior public servants. I may remind the NDP hon. member that this government has ignored women as far as wages are concerned. Many women in my riding earn very low salaries as a result of this government's policies. These women, in many cases single parents, have to pay taxes, including federal and provincial income tax, municipal taxes and school taxes. Because of this government's economic restraint policy, there has been a flow of fiscal responsibility from the federal government to the provinces and subsequently to municipalities and school boards, which has engulfed low-income earners, most of whom are women responsible for raising a family. I say women, because all too often, women are at the bottom of the wage scale although they have the same responsibilities, the same duties and the same tasks as men.

• (1130)

This government has ruined the relationship between employees and employer, the employer being the present government. How will these employees feel, now that they are being forced back to work? It's almost like seeing a film on slavery. You see the employer taking employees by the scruff of their necks and saying: You are going to work today and tomorrow, otherwise you will be fined $500 per day. And on top of that, your salary increase will be zero per cent. Either you toe the line or you might lose your job. That is the kind of employer we have today.

Mr. Speaker, at the same time these employees have to cope with tax increases at all the levels I just mentioned. I think that with its economic restraint policy, this government is dividing the country into

different sectors and pitting those sectors against each other—

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member for Carleton—Gloucester. I would ask him to conclude his remarks or ask a question.

Mr. Bellemare: I would be happy to oblige, Mr. Speaker. If I could, before my time is up, I would like to get some clarification. During this period, are we not entitled to make some remarks or comments and to ask questions? Surely, during this five minute period, hon. members can choose between these three options, right?

The Acting Speaker (Mr. DeBlois): I am glad the hon. member asked this question. The philosophy behind the question and comment period is to give as many members as possible the opportunity to comment briefly or to ask a question of the previous speaker. This is not a period when you can rise and make a new speech. The objective of the Speaker is to recognize as many members as possible. Therefore, when an hon. member takes ten minutes to make a comment, it goes against this philosophy, as was stated by one of my predecessors in the Chair, Mrs. Jeanne Sauvé.

So, I would ask the hon. member to cooperate and complete his comments or ask a question.

Mr. Bellemare: Mr. Speaker, surely you know I come from a riding where there are between 24,000 and 25,000 civil servants. So, of course, I stand up for them. Consequently, I would like to ask the hon. member from the NDP if she agrees with me that this government is wrecking labour relations between employees and employers?

[*English*]

Ms. Black: Mr. Speaker, I would agree that labour relations between the government and its own employers have certainly hit a new low, but there have been times under previous Liberal administrations where the relationship has been very testy also, to say the least, and some of the legislation that previous Liberal governments brought to Public Service workers was not well received by the workers either. I think back to the six and five legislation not so many years ago.

It is true that the relationship has hit a new low and new depths with this Conservative government.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, I listened very carefully to the speech made by the hon. member for New Westminster—Burnaby and I paid particular attention to what she said regarding pay equity in the Public Service. Her remarks suggested that this government did not do anything about pay equity.

Mr. Speaker, I would like to remind the hon. member that this government's commitment to pay equity goes back to 1984 and that, after the election that year, when we came into office, a study was conducted within the Public Service in order to determine how many employees could be eligible for a pay equity program. That study indicated that 79,400 public servants could be subject to a pay equity program or policy.

I would also like to remind the hon. member, Mr. Speaker, that, up until now, this government has paid $317 million to 79,400 Public Service employees to meet its commitments with respect to pay equity.

I would also like to point out to her, Mr. Speaker, that $81 million will be paid during the next fiscal year under the pay equity policy.

Therefore, Mr. Speaker, I would like to ask the hon. member for New Westminster—Burnaby if she knows of any businesses in the private sector or any provincial or municipal governments in Canada that have a pay equity policy as generous or should I say as fair as the one that applies to federal Public Service employees.

[*English*]

Ms. Black: Mr. Speaker, the member opposite certainly does not have to remind me of the commitments that were made by members of his government in 1984. In fact, they made up a great deal of the comments that I made today to remind them of the commitments that they made to Canadian women, the commitments that they made to Canadian women in the Public Service, and the commitments that they failed to uphold. He certainly does not need to remind me of that.

My question is: Where is the money that was promised? It is not being paid. Only one-third has been committed to pay equity of what is just and fair. His government continues to fight decisions of the Canadian Human Rights Commission, to fight them in the federal courts of this land, fight in opposition to pay equity trying to stop fair and just settlements on pay equity. That is the Conservative government record.

When he asked me if there had been a jurisdiction, yes, and I pointed it out in my remarks today. The government in Ontario has expanded the pay equity, has dropped the court actions that were started by the previous Liberal administration against public health nurses, and has set a great example for all of North America on the issue of pay equity.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, every time I have spoken in this House since 1988, I did so eagerly, of course, and with the desire to contribute positively to the issue or bill being debated.

• (1140)

Is a parliamentarian's first responsibility not to give his opinion on the subject of the debate, Mr. Speaker? When he takes part in the debate, should he not seek to protect and defend the nation's higher interests, while respecting individual freedoms and society's welfare?

Mr. Speaker, I will try to reconcile these great objectives as I participate in the debate on Bill C-29 today. As the Treasury Board President said, this bill was not tabled with a glad heart and I can assure you, Mr. Speaker, that I will not be glad to vote for Bill C-29.

Bill C-29 temporarily suspends the legal right to strike for members of the Public Service Alliance of Canada, extends the collective agreement for two years and sets salary conditions for the same period. Mr. Speaker, I must regretfully note that this bill, while pursuing objectives in the public interest, temporarily suspends the legal right to strike for employees who belong to the Alliance.

Moreover, the bill, by setting salary conditions for public servants for the next few years, suspends their ability to negotiate pay increases. Mr. Speaker, that is why I had reservations about the bill when it was tabled.

That is also why I always hoped that the government would not have to bring in such a bill. I always believed it was possible for the Alliance to accept the salary conditions proposed in the Government of Canada's most recent budget. An agreement with the Alliance would have made it possible to continue discussions on all working conditions and clauses related to them in the collective agreement, except of course for the salary clauses.

It would have been far better for the two parties to agree and reach a negotiated settlement. Until last week, as I said before and say again, I had serious reservations about the negotiating process. I wondered whether both parties had exhausted every avenue of bargaining as should be done when a collective agreement is renewed. Mr. Speaker, I was under the wrong impression that additional efforts could have been made by both parties to reach a negotiated settlement.

When I became aware of the number of meetings, the number of days and hours Treasury Board negotiators had spent at the table, I realized that a big effort, and major attempt had been made to come to a negotiated settlement. Needless to say, Mr. Speaker, I had been particularly happy two weeks ago to see the progress that allowed public servants to go back to work and the negotiations to resume.

All last week, like many Canadians and like a very large majority of the people in my riding, I cherished the hope that those discussions would lead to a negotiated settlement that would be in keeping with the budget restrictions of the federal government and at the same time help improve the working conditions of the employees of the federal government and members of the Public Service.

Obviously, it is with great regret and surprise that I saw the union negotiators leave the table last Friday, following the tabling of specific proposals made by the Treasury Board representatives. Mr. Speaker, I would like to take a few minutes to list the offers made last Friday to the union representatives at the negotiating table.

First, the government, through its negotiators, was maintaining its position of zero per cent increase for this year and 3 per cent for the following year.

The government, through its negotiators, offered a $500 lump sum payment for the 35,200 indeterminate employees with salaries under $27,000. It should be noted that a previous proposal calling for a lump sum payment for those earning up to $25,000 would have benefited only 14,000 civil servants. That is to say that there has been a major improvement at that level.

There was a proposal to guarantee employment to those whose jobs would cease as a result of contracting out or privatization, a unique advantage indeed granted to the public servants belonging to PSAC. Such an advantage is nowhere to be found in collective agreements signed in the private sector, Mr. Speaker. It is a definite advantage.

We are also proposing to guarantee reasonable job offers to all other employees affected by a work force adjustment. We proposed improvements to fringe benefits, including the dental plan, health care, disability insurance, annual leave, shift premiums, day care, meal allowances and much more, Mr. Speaker, that the people of Canada find hard to understand because such advantages are a rarity in the private sector.

Of course, our proposals include provisions for pay equity, as I told my hon. colleague from New-Westminster—Burnaby earlier, amounting to $81 billion. Once these proposals were on the table, the president of PSAC left without even responding to these proposals. Instead, he chose to make his union's response known through the media and to order his members to resume their national strike.

Normally, in the bargaining process, when the employer tables a proposal affecting or improving previous proposals or working conditions, it is only natural, and the right thing to do for the union to consider these offers and to get back to the employer with comments whether all or part of proposals are rejected but, in any event, to pursue the bargaining process.

What is abnormal and regrettable in this case, Mr. Speaker, is the fact that the PSAC negotiators left the bargaining table, did not submit the latest offers to their members and decided to go back on strike.

Mr. Speaker, it is essential that this government continue to strive to reduce government spending and the national deficit, because Canadian men and women cannot bear any further tax increases. The wage policy set out in the last budget is an integral part and an important aspect of the objectives identified by the Government of Canada.

The Alliance should have recognized how important it is for our country to attain these objectives. The Government had and still has no other choice but to ask all its partners to join in an effort to reduce the deficit and put the economy back on track. The PSAC obviously refuses to take part in that effort which has already been accepted by many groups of employees from other jurisdictions.

Instead the Alliance has chosen to attack the Government's objectives and of course to resume its strike. Even though it is a legal strike, Mr. Speaker, the Alliance has overstepped its authority in preventing essential services employees from going to work. In so doing, the Alliance has caused severe harm to large groups of citizens by depriving them of services neccesary for their safety and their well-being. It has caused irretrievable damage to vital sectors of our economy.

• (1150)

Mr. Speaker, this strike is not driven by economics, it is political, and this is a direct quote from the President of the Alliance. Just remember what he said in front of the Parliament Buildings a few days ago, and also the speech where he said that this government had to be defeated.

I would have thought, Mr. Speaker, that the Alliance was calling for a strike in the interest of its members. It is my opinion that leaders of the union should have listened to their members and should have directed their efforts toward bargaining, with a view to securing better working conditions while waiting until for the government's finances to improve and allow it to grant better pay conditions to its employees.

By so doing, the leaders of the Alliance would have contributed to the improvement of the financial situation of the country. They would have supported the economic recovery efforts by the government and the private sector and they would have, in my opinion, really promoted the long term interest of their members.

The government for its part is proposing a pay policy which will allow keeping the number of positions at its present level for Alliance members. I consider that a very reasonable policy which confirms the government's

intention to grant its employees the best working conditions possible under the current financial situation.

Mr. Speaker, I wish to point out that Bill C-29 allows for negotiations between the government and the Alliance on a large number of non-monetary and monetary clauses included in the present contract.

I hope, Mr. Speaker, that both parties will take this opportunity to resume talks as soon as possible. Once again, I regret that Bill C-29 removes, even temporarily, the right to strike, but the objectives of this bill are to ensure the continuation of services which the government has the duty to provide, to protect the economic recovery and to further the efforts undertaken by the government to reduce the deficit.

Mr. Speaker, the last point I would like to mention is the feeling that there are far too many union negotiators. Not only do we see the Alliance leaders, Mr. Bean and Mrs. Hurens, on television almost every day, but we also see some of our NDP colleagues literally holding hands with them. Is it not normal to believe, Mr. Speaker, that the PSAC works out its negotiation strategy in the offices of NDP members? Moreover, we all heard the member for Mission—Coquitlam say that on Friday Mr. Bean, while in her office, tried to contact the President of the Treasury Board. I would have thought that the President of the PSAC would have an office of his own and facilities provided for him by the Alliance to make his own calls and contacts. Why use the offices of NDP members? Listen, this proves that what we are having here is a political strike.

Mr. Speaker, I regret the inconveniences caused by bill C-29, and I still have the same reservations to make on the principle of such a bill. I believe that in the case of a labour conflict, the balance of power should lead to a negotiated settlement, but I am also convinced that the circumstances surrounding this conflict and the difficulties it is causing to the country truly justify the bill. I hope it will be adopted as fast as possible.

Mr. Eugène Bellemare (Carleton—Gloucester): A very brief question, Mr. Speaker. While the hon. member for Manicouagan deplores the strike but is in favour of the back-to-work legislation, he seems to be suggesting at the beginning of his speech that he believes in salary negotiations. My question to him is this: Is it possible to negotiate salaries when one of the parties, namely the employer, offers a 0 per cent increase or the door?

Mr. Langlois: It is not the first time, Mr. Speaker, that a government sets its objectives through the budgetary process.

It is not the first time, Mr. Speaker, that a government makes decisions on the compensation of its emplooyees. I remember well to have experimented the adverse effects of a legislation passed by a previous liberal government where we were directed not to exceed some increase percentages within collective agreements that I had negotiated myself for the employer and where the salary increases were cancelled by that legislation, while that legislation also applied to the then employees of the Public Service of Canada. That is when the Liberals were in power.

Therefore, Mr. Speaker, there is nothing unusual in the fact that a government sets its salary policies through the budgetary process in order to make all people concerned aware of its objectives.

Mr. Speaker, while I am on my feet, I would like to go back to what the hon. member for Ottawa West stated earlier when she said that a number of groups in the federal government are not covered by the salary policy. She mentioned among others the National Defence and the RCMP. I would like to tell her that under Appendix I of the bill both the National Defence and the Department of the Solicitor General are subject to this legislation.

So, Mr. Speaker, I think it is important that this be mentioned and I thank you.

[*English*]

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the situation today is really a tragic one for the Public Service Alliance workers.

A group of women workers are at the Status of Women office here in Ottawa right now. They are asking for a meeting with this government on the issue of pay equity. They simply want to discuss the issue. They have asked that the Minister Responsible for the Status of Women meet with them and listen to their concerns. They have been refused that hearing.

I want to ask the government side whether or not they would agree that these women have a right to speak to their minister responsible for the status of women about

an issue that is of such critical concern, not simply to these women but to all the women of Canada. I ask the minister to make a commitment on behalf of the government to begin the process of talking about this issue.

Mr. Langlois: Mr. Speaker, my colleague for New Westminster—Burnaby is forgetting that the pay equity situation has been referred, at the request of the union, to the Human Rights Commission. The government has agreed to that and it is trying to address the situation in a fair and reasonable manner, fulfilling its commitment and at the same time complying with decisions that have been made. The government will keep on doing this.

I talked about the amount of money that has been put into pay equity just a few minutes ago and I can assure my colleague that this government is committed to pay equity and everything will be done to achieve that goal.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, if that is true, can the member opposite please tell me why, in the offer that was made to the Public Service Alliance of Canada, there was a small token toward pay equity and even that small token was not incorporated in this bill? Can the member explain why his government refuses to incorporate pay equity into salary so that it is subject to all the other privileges of money that is earned as salary?

Mr. Langlois: Mr. Speaker, does my hon. colleague from Ottawa West consider that $317 million is a token? Does she consider that $81 million budgeted for the coming year for pay equity is a small token? I would like to suggest to her that we are talking about enormous amounts of money and we are just trying to address that situation with the money and the finances available to the federal government.

• (1200)

If we manage to control the deficit, put the economy of the country back on track, this government is committed to do more. I can assure my hon. colleague that what she calls a token for a great majority of Canadian taxpayers is a great amount of money which people in my riding would look at with much envy. My hon. colleague talked about poor people on picket lines earning $20,000 a year. I can talk to her about poor people not on picket lines, minding their home with revenues of $5,000, $6,000, or $7,000 a year. That is what I call a token, not $317 million and not $81 million.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, you sometimes must have patience in this House in awaiting your turn to speak. While the member for Manicouagan is here I would like to comment on the $317 million that he is talking about. It is a significant amount as is the $81 million a year that he is putting into pay equity.

He talks about it being a considerable amount of money. It is absolutely a considerable amount of money. Yet the government has just recently thrown away $267 million to the KAON project in B.C. It has sent the National Energy Board to Calgary when it could have been left here in Ottawa at no cost. It has sent the Farm Credit Corporation to Saskatchewan when it could have been left here in Ottawa at no cost. It has been the multi-million dollar government which Canada has never seen the likes of before.

Of course $81 million is a lot of money, but let us not throw these figures around unless we put them in perspective. From 1984 to 1988 this government made the largest amount of revenue over anticipated revenue that any government in this country has ever produced, and it has never put one cent of it against the debt. It has never put one cent of it toward pay equity. I am a little bit sick and tired of hearing how great this government is with regard to pay equity.

That was not intended to be part of my speech, but I had to throw it in because I really felt that the hon. member was over-stating his case.

Getting back to my speech, I am delighted to stand here and speak to Bill C-29, an act respecting compensation in the public sector of Canada, but this bill is just another example of the government's continuing oppressive autocratic style.

The government continues to flip-flop. First it would not negotiate, then it will negotiate, and now it will not negotiate any more. I do not think this government has a clue as to what it is doing.

For a fleeting moment about 10 days ago, I really thought the government had its act together when it announced it would suspend the legislation, which it is now going to implement, and return to the bargaining table. In fact I was so pleased with the minister's acceptance of going back to the bargaining table I even

sent him a note thanking him on behalf of the public servants of Canada for being a considerate, kind and warm-hearted minister.

An hon. member: It was a sham.

Mrs. Gaffney: It was a sham. It was a charade. It was the biggest charade. I hope he frames my note.

Two weeks ago during the first strike action I received a copy of a letter which was sent to the President of the Treasury Board by Glen Whalley, a Nepean constituent. He does not mind my giving his name. He sent a copy to me and I really felt that his comments were noteworthy because what he said in that letter I believe effectively described the feelings of the average public servant, not only that but the feelings of the average Canadian.

I am going to quote this letter:

I am a family man, with bills to pay, who takes pride in my job and I am a member of PSAC. You seem to have a misguided view of the labour force that is working for the Government of Canada. I can understand that, what with all the opinions and accusations flying around Parliament Hill, the bargaining tables and the media. So I would like to offer a point of view from one of the common folk.

Your government has been in power for seven years and yet you still try to blame your financial situation on previous governments. It was your government that perpetuated this recent economic disaster with your lack of foresight and sensitivity. It was your government that provided the catalyst for our dilemma by shoving, amongst other things, Free Trade and the GST down our throats.

The cost of our goods are not going down, the cost of living is still going up and we watch our industries moving south. We see our families, friends and neighbours being laid off or losing their businesses to bankruptcy.

Now you come to us and expect us to accept your offer. In fact, you almost act surprised that we do not want to seal our financial future for the next three years and put our faith in your unpredictable budgetary mismanagement. You also want us to blindly agree to this offer before knowing if you will negotiate in good faith on the remainder of our concerns. Let us face it, sir, your track record so far is not very favourable. I ask you as a businessman, would you accept these terms in your employment contract?

In turn, I have a proposition to offer you.

And this gentleman says to the minister:

If you can convince the working people in the private sector of Canada, who receive pay increases this year to donate their new income to help pay off the national debt, that is after paying for increases in utilities, food and clothing, after paying federal and provincial income taxes, federal GST and provincial sales taxes, municipal and property taxes, gas taxes, car taxes, tire taxes, liquor taxes, cigarette taxes, restaurant food taxes and on and on.

If you convince those working Canadians of the private sector still bargaining for wage settlements to donate any future increases this year to help pay off the deficit.

And if you can convince your fellow MPs, Senators and any other senior management staff to give up the tax-free portion of their income and donate the applicable taxes that the rest of us are forced to pay;

If you can do this, then I will try to convince my co-workers that your zero, three and three offer is a good deal.

I will set aside further arguments concerning your party's disregard for past promises for such things as pay equity. Their deceptions about the effectiveness of contracting out. The blunders, the questionable antics and budget expenses of senior management and ministers that cost taxpayers millions of dollars every year. Sneaky manoeuvres, like rushing through pay increases for the elite few at the top just before introducing wage controls on lower level employees. The fact that you have no respect for the collective bargaining process, the conciliators you agreed to work with or your own rules of fair play in negotiations; and finally, your government's obnoxious attitude that it can do whatever it pleases because it has a majority in the House of Commons, even though it is now backed by less than 16 per cent of the population.

Please, people of Canada, don't be angry with us for trying to maintain our standard of living. We did not increase your taxes. We did not break political promises or create an economic environment where farmers and fishermen are unable to support their families and where single parent families are forced on to welfare to survive.

We did not introduce taxes to send truck drivers and small businesses into financial ruin. Most of all, we are not responsible for this government and its policies.

I had to read that letter almost in its entirety, because I do not think that I or anyone else in this House could have said it as well and as sensitively to get the point of the average Canadian and the average public servant across.

I received another phone call this morning from Mr. Barker. He goes on to say that the government is seriously damaging and destroying the Public Service in this country, an institution with a proud history of service and one that he is most proud to have worked with.

He spoke of the hypocrisy of the government involving Canada in larger and larger trading blocks and talking about making Canadians more competitive while at the same time it is treating its own employees in total contradiction to this, through demoralizing, contracting out, cutting back, wage freezes.

Many, many people when they call speak of their anger toward this government and about their despair that public servants have somehow inherited the dubious position of being the government's whipping boy.

I have heard them talk about the government's deception on the effectiveness of contracting out, of the past broken promises of pay equity. I have heard first hand the outrage and cynicism of the average public servant about the patronage which this government dishes out to its own Tory cronies.

• (1210)

The government is running roughshod over members of the Public Service of Canada by again bringing forth this back-to-work legislation just as sure as it has run roughshod over parliamentary tradition and guidelines by bringing back this legislation.

The fact is that although this act will eventually apply to MPs, senators, presidents of Crown corporations and senior managers, this will only occur next year when inflation is expected to be much lower.

Is it any wonder that Canadians are skeptical about politicians? I would like to ask when you were at the bargaining table if consideration was given for PSAC employees to receive the increase this year, the same as I have received my increase this year and the same as all the department heads, 5,000 of them, 5,000 cabinet appointees got bonuses in the past year, some of them as high as 25 per cent of their salaries.

Can you tell me that Ron Lawless, president of the Canadian National Railway and VIA Rail who was already making in the salary range of $365,000, should receive another $30,000 bonus this year? He has already got a $30,000 bonus. That is more than these public servants' total annual salary.

Before the government brought down its measures against the Public Service in its budget, the government revealed that it would not go the route of conciliation or arbitration. It has threatened from the beginning that it would introduce legislation to bypass any settlement that did not accept the wage freeze as a given. Its whole attempt at bargaining right from the outset has been a charade of the worst kind.

My colleague from Ottawa West mentioned this in her speech. The government is in clear contravention of section 51 of the Public Service Staff Relations Board Act. The government is breaking the law. The government is clearly breaking the law.

Has this government ever made any reasonable effort to conclude a collective agreement? No. Has one word of the section of the Public Service Staff Relations Board Act been honoured by this government? No. This government has in no way acted in an honourable fashion with respect to its employees. There has been no collective bargaining, and let us make that clear.

It already has in hand no fewer than five conciliation board reports which have been unable to make any progress toward a solution. Three of these even highlighted the government's responsibility for the lack of collective bargaining.

Who is being hurt by the actions of this government? In the immediate it clearly is the little guy, the lowest paid members of the Public Service. Because the government has forced the public servants out on strike, it clearly then becomes the business community. It is the children. It is the Canadian public generally who is also being hurt, all because the government may not play by the rule book.

Does this government understand anything about the concept of worker productivity? Does it not think about how these people will function when they return to their desks after they have been told their work is worth zero per cent and after they have been bullied back to work?

It is very frustrating for me to stand here in the House to try to represent the public servants and try to get their point across. They do not have thousands of dollars to run these great big ads in the paper, the big ads that are not telling the truth.

An hon. member: Your money and mine that they are using.

Mrs. Gaffney: Your money and mine the government is using to put a point across but it does not tell in this document that it is breaking the law, does it? It does not say that it is in contravention of section 51 of the Public Service Act, does it?

I would hope that this government could get back to the bargaining table, but the only hope that we have is

with the appointment of a mediator. I felt last week and I mentioned this earlier, 10 days ago, that the minister was sensitive and that he did care. But I look at the president of the Public Service union and I look at the minister responsible for public servants—and I don't know if this is going to be unparliamentary; you might call me on this one—but I see two blockheads who simply cannot negotiate and cannot arrive at a solution. I think that we have to put a mediator in to negotiate this solution.

Pay equity is also not negotiable. It should not be on the table. It is the right of all that pay equity be in force and that should not even be part of the bargaining tool. It should be there and it should be part of what women should expect in the work force.

This government keeps using the excuse that it has been concerned about the economy and that is why it must do this. Had it truly been concerned as I mentioned earlier, the excess revenue that it received in that period between 1984 and 1988 could probably have wiped out the debt or certainly reduced it tremendously. You know the old saying "Nero fiddled while Rome burned"? Well, I see this government fiddling while the country is being decimated.

The minister said an interesting thing in his speech yesterday. He said he was not here to win a popularity contest. Well, he sure has not won a popularity contest, nor has the government. He has played his rules right there. He is not popular.

I was speaking earlier about the amount of money the government has spent on pay equity and the amount of money the government has spent on other programs. I have never heard figures on the amount of money the House would need to approve even 3 per cent for these public servants. I have never heard that amount of money so I don't know what it is. But you know, we throw away money. Maybe it is not thrown away, maybe it is good for business. A shipbuilding company in I think it was Valleyview, Quebec, was given several hundred million to bail it out, to keep it from going bankrupt. A couple of years ago we sent the Space Agency that was situated here in the nation's capital to St. Hubert, Quebec. It is now, I might add, in the riding of a member of the Bloc Québecois. We give $267 million to a TRIUMF KAEON project at the University of British Columbia when most of the research scientists in this country will tell you that it will be the most drastic drain on the federal treasury—

Mr. Duhamel: Bad management, that is what she is talking about.

Mrs. Gaffney: I am getting to bad management, that is exactly what I am getting to.

Mr. Duhamel: Lack of vision.

Mrs. Gaffney: I don't know how a government can ever hope to get any loyalty from the Public Service again when we throw money away as easily as we do but will not sit down and talk about what is the value of a good employee.

Again, Mr. Speaker, I thank you for the opportunity of speaking here in the House on this subject. I hope there is some rationale, that someone comes to their senses.

Mr. Speaker, I move pursuant to Standing Order 26(1):

That the House sit between the hours of 1 and 2 p.m. today for the purpose of considering Bill C-29.

Mr. Kempling: Mr. Speaker, on the motion put by the hon. member to sit between one and two o'clock today, we would agree to this on the understanding that there are no quorum calls and there are no games played.

If that is agreeable we have no objection to sitting between 1 and 2 p.m. today.

Mr. Dingwall: Mr. Speaker I think the rules are fairly clear, that members have an opportunity pursuant to section 26.(1) to move the extension of hours between 1 and 2. My hon. colleague has made that particular motion. In terms of the questions raised by the hon. member opposite, the purposes of extending the hours is to give members on this side better opportunities to express themselves on a very important subject.

• (1220)

With regard to quorum calls, I can assure him that on behalf of our party it certainly would not be our intention to raise any of those. However if there are members on his side who may wish to pursue that, he might want to have a chat with them.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Would those members who object to the motion please rise in their places.

And fewer than fifteen members having risen:

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 26(2), the motion has been adopted and the House will continue to sit indefinitely.

Motion agreed to.

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, I listened very carefully to the speech by the hon. member for Nepean and to the speeches by the hon. member for Ottawa West and the hon. member for Carleton—Gloucester. Since the beginning of this debate Mr. Speaker, my impression has been that instead of a Canada Round or a Quebec Round, we have an Ottawa Round, because Liberal members have delegated their members from the Ottawa area where their public servants are—

An hon. member: You have no respect for public servants!

Mr. Pronovost: They say I don't respect public servants, Mr. Speaker. I listened very attentively to what the hon. member of Carleton—Gloucester had to say, and now I would also like to have a chance to express my point of view.

There are many public servants in my riding as well. However, my point is that members of this House do not represent public servants. They have a union to do that. Only a few minutes ago, the hon. member for Nepean said clearly that she felt she spoke for public servants in this House, although she represents all residents of Nepean, and above all, the national interest of this country. And Mr. Speaker, that national interest is now facing a very serious challenge.

I would like to ask her the following question: We have yet to hear a single NDP member condemn these acts of violence and intimidation against men and women who wanted to go to work and were on essential services. Not a single NDP member was willing to condemn this kind of violence.

Earlier, the hon. member for Ottawa West had an opportunity to condemn the violence against nurses at the Sainte-Anne-de-Bellevue Hospital, a veterans' hospital in Quebec, and she failed to condemn at least this instance of violence.

Yesterday, however, the hon. member for Glengarry—Prescott—Russell, a Liberal member, clearly said that he was against intimidation by strike captains, that he was against violence and against the fact that workers on essential services were being prevented from going to work.

Is there some kind of double standard at work here among Liberal members? The hon. member for Glengarry—Prescott—Russell condemned these acts in no uncertain terms, and he is to be commended for doing so, and the hon. members for Ottawa West and Nepean could at least have taken the opportunity they had, and they should do so immediately.

The Acting Speaker (Mr. DeBlois): Before resuming debate with the hon. member for Nepean, I simply want to explain that the motion we just adopted is for extending the sitting from 1 p.m. to 2 p.m, and not indefinitely, as I said earlier, which may have created some confusion. My apologies.

[*English*]

Mrs. Gaffney: Mr. Speaker, I am pleased to stand here and respond to the member across the floor. First of all I would like to say quite clearly and quite unequivocally that I represent national interests in this House of Commons. If I was a member from Atlantic Canada, do you think that I would not be on my feet talking about the fishing industry? They are representing their constituencies when they speak about the fishing industry and what you people have done to it.

I am in a riding which happens to be in the nation's capital.

Do you not think that because I have a high number of public servants that I will not represent these public servants in the House of Commons? Of course I will. That is my responsibility.

An hon. member: I hope so.

Mrs. Gaffney: At the same time, I will support my colleague from the western provinces when I see the wheat farmers. They have a product but there is no money for their wheat. Do you not think that when my colleague speaks in the House of Commons on the plight of these farmers that I will not support him? Of course I will.

He mentioned the violence, some minor skirmishes on the picket lines. I deplore these skirmishes. To the many strikers I have spoken to, I have said "Please, be peaceful. The public will recognize what you are trying to do and what you are trying to achieve but they will

understand it more if it is achieved through peaceful means".

Mrs. Catterall: Mr. Speaker, on a point of order. The hon. member from the government side of the bench has mentioned my name and I think he may have inadvertently left a totally wrong impression with the public that may be watching and with the House of Commons about people who have spoken on this debate.

I think if the hon. member looks back over the debate, over the petitions that have been presented, over the Standing Order statements in the House, over the questions and again specifically over the speakers who have spoken and will speak on this debate, he will find among those lists representatives from southern Ontario, northern Ontario, eastern Ontario, all provinces in Atlantic Canada and from western Canada as well. I think it is wrong of him to leave the impression that the 70 per cent of people—

Mr. Bellemare: Mr. Speaker, on a point of order. The member for Saint-Maurice has suggested that he is faulting me for defending the Public Service employees. I think this is a wrongful accusation. I am supporting the Public Service throughout Canada, with a great number of them residing in my riding.

The Acting Speaker (Mr. DeBlois): Another question or comment?

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I would like to commend the member for Nepean, and Nepean is the twin riding for Carleton—Gloucester, for an excellent speech and an excellent presentation. My question is this: I feel embarrassed that I am taken as being part of the employer, the federal government, because I sit in Parliament, and this year I have received a 4.3 per cent increase in my salary while the employees, our employees, are getting or will be getting zero per cent. I would prefer that if the employees, the public servants are going to get zero per cent, then I too should get zero per cent.

Unfortunately, this government is imposing two standards on an uneven playing field. I would like the member's comments.

Mrs. Gaffney: I did mention in my comments the fact that there was no doubt on the government side when it passed legislation giving us an increase for the year 1991. I think it was less than 4 per cent but it does not make any difference how much we got. Now, all of a sudden it is saying that next year we will have a zero increase.

The question I was asking was: has the minister, when sitting down at the bargaining table, said: "Okay guys, will you take your 3 per cent this year and possibly consider a zero per cent next year?" Has that ever been discussed?

I think we are setting two standards here. There seems to be one set of standards for managers, for senators, for members of Parliament, and another set of standards for the members of PSAC. I think they should be looking at that very, very closely. I do not agree with it and I thank you very much for that wonderful question.

Mr. René Soetens (Ontario): Mr. Speaker, I appreciate the opportunity to participate in this debate.

• (1230)

I guess the debate really started back in February when the government brought forward its budget document, and that set the policy of the Government of Canada. Somehow there is a perception that this is all a surprise and that this has only come to fruition in the last couple of weeks.

I would like, if I might, to point out some of the items that were in the budget of February, of this year. I will not read them word for word, but they can be found on page nine. That deals with the government management of a number of its affairs. The first item on that list of eight that are here relates to the fact that the ministerial pay of the Prime Minister and cabinet members will be frozen for one year. I realize that does not get a very high profile in the public debate, but that was the number one item that was mentioned.

The second item that was mentioned deals with the wage budgets of departments. In that particular clause it says that there will be no more money available, but if the Public Service wants to negotiate a salary increase that we would certainly consider up to about three per cent, but any increase would be tied directly to attrition within the Public Service. The jobs that would become vacant through attrition, or people retiring, would not be filled.

So there was an opportunity for salary increase if the Public Service would accept that we were going to continue to streamline some government operations.

As you are aware, Mr. Speaker, we were unable to negotiate that in March, April, May and finally in June. As we are well into the new budget year, we cannot go back and say: "Well we will do that now," but that was part of the management offer that was in the budget.

The next item was, of course, that we would limit the raises in years two and three to 3 per cent.

Beyond that, it talked about the rates of salary increases for the executive members because there is this concern that the management group is being treated differently. You will see that it says here that these various public servants, deputy ministers and heads of Crown corporations will be limited to a level no higher than the average of the negotiated settlements in the Public Service. There it is, very clear and in black and white, that if we can only negotiate, for example, zero per cent with the Public Service, then that is what everybody gets. It says that right here in the document, but somehow that does not seem to be part of the public discussions.

The next item talks about the salaries for members of Parliament. It very clearly says exactly the same thing, that we will get what the Public Service gets, or the lower of inflation minus 1 per cent or what the Public Service gets. So, based on the program now, the Public Service and MPs will both get zero per cent.

What is not given a lot of profile is that in the budget there is a commitment that we were going to reduce the senior managers in the Public Service by 10 per cent this year. We are proceeding with that. So when people talk about the fact that there is really no cutback for anybody, ask those 10 per cent of the senior managers who are losing their jobs whether there is a cutback there.

Finally, there is a restriction on capital spending and it will be frozen at last year's level.

That started the process of this debate. I can tell you that in my almost three years of being a member of Parliament, I have had the privilege of talking to many of the Public Service employees who serve my constituency and look after the needs of my constituents. I would not for a moment debate the fact that they are under a tremendous strain and that in many cases they work hard with resources that are limited. In my constituency in Ontario, they are faced with a unique challenge. Here we have the federal government restricting what we are doing with salaries, yet we see the provincial government increasing its salary or wage bill by 14 per cent while we are holding it to zero per cent. The municipalities are increasing their wage bill. The school boards are increasing their wage bill. The regional government is increasing its wage bill. So here they are working in an environment in southern Ontario where all of the other public servants are getting increases and we are not.

That is an unfortunate circumstance and I understand the difficulty that causes them. There is not a simple answer to that situation. I am certainly aware of it, and I hold extreme sympathy, but I guess I can say the same thing, members of Parliament are not getting a salary increase, so I am tying myself to the same thing. I live in the same constituency that they do, so I am faced with that same thing. That is a sacrifice that is there and we just have to carry on with it. It seems that, somehow, that side of the discussion is not as public. I understand their needs, I understand their pressures, but it seems that from the other side there is a total ignoring of the circumstances that we at the federal level find ourselves in.

We end up coming to the circumstance we are now in. We are obviously at an impasse. The Public Service is out on strike for the second time. Why are they out for the second time?

This morning there was a group of public servants who appeared at my constituency office. They were very polite, very well-behaved. I certainly cannot be negative about the way they visited my office and the points they made. I talked to them on the phone for about 40 minutes.

I come back to some of the original comments I made, that they are under their particular pressures. Then they throw out such comments as: "Well, the government wastes so much money." I get that comment from a lot of my constituents who really cannot do anything about it. I said to these public servants: "If we we waste all this money, if there is waste in government, why are you not doing something about it." Their answer was: "Well, the boss will not listen to us."

I said to them: "Well, if the boss will not listen, I do not recall you calling me as a member of Parliament, pointing out areas where we waste money. I do not recall receiving a brown envelope in the mail telling me where money is wasted".

Coming back to our original proposal about the salary levels being tied to an over-all scale, if the public servants have these suggestions that we waste money and they help us solve those problems, it does make our lives easier in dealing with their particular salaries they would like us to cover.

I come back to the southern Ontario situation. I know the circumstances they find themselves in. It is interesting that a couple of people I spoke to this morning were very clear about their political support and that it certainly was not going to be coming my way the next time. I am not sure it came my way the last time, but that is neither here nor there. It is certainly not going to be coming my way next time. They will probably, at least in one case, be supporting the NDP.

I noticed a recent article in *The Globe and Mail* on September 26, where their hero, I presume, Mr. Rae, the premier of the province, said: "Everybody has to wake up and smell the coffee. We do not have a printing press in the basement. We would be kidding each other if we did not recognize the fact that we do not have tonnes of money coming in."

Their hero in Ontario, I guess, has woken up and has smelled the coffee. He went on talking about some of the programs, saying: "There are limits to what we can do right now in terms of general increases for the simple reason that the money is not there." He went on further in that article: "I know you are in a bind. What I am saying is, so am I."

If they think that it is just the federal government that has a problem, there is Mr. Rae very publicly indicating that he has a problem and somehow he is going to have to deal with it. It will remain to be seen as to how he is going to deal with it. I will leave that for Mr. Rae and his supporters to comment.

Here we were in the negotiation process. I heard the President of the Treasury Board very clearly indicate that when they went back to the table there was not going to be any more money. They were willing to look at some of the other things, but there would not be an across the board salary increase.

That is in *Hansard*, so anyone who has any question about that can certainly look that up.

In the negotiation that took place last week, there was in fact a change made. There was a change to the circumstances of individuals. They offered an increase, a lump sum bonus of $500, to about 35,000 employees.

The week before last when they were out on strike, a lot of constituents called my office and said: "Look, I have some concern for low income Canadians, the ones at the lower end of the pay scale in the Public Service, single mothers, single wage families." The government acknowledged that and said: "We understand there is a problem at the bottom end, here is $500 a head that we will put into that package." Mr. Bean, I guess, has decided that he did not want to offer that opportunity of acceptance to his membership. I did manage to speak to a number of public servants in my riding who said: "I wasn't offered the opportunity to accept that $500 proposal".

• (1240)

There was guaranteed employment security for the Public Service offered last weekend in the offer that the President of the Treasury Board made. There were also improved benefits in a number of areas related to the dental plan, health insurance, disability insurance, vacation leave, shift premiums, additional day care facilities and meal allowances.

All of those things were offered last week. Mr. Bean's response was: "We are going out on strike again." I am happy to say that the government has not backed down on these offers. I have some difficulty in that.

I relayed that to some of the people who called my office this morning. Their argument was that they should have these things. I said: "Well, if that is the case, how many of you work in the employment centres in my riding? If you work in the employment centres in my riding, why don't you canvass all those people who are on the other side of the counter and ask them if they would be willing to work at the same job they had last year for the same amount of money. How many of them would be willing to work with less benefits than they had last year?"

I suggested to all of them that they ought to talk to some of those constituents who are using their offices, to discover that things are not peaches and cream out there, that there are people who are having difficulties

and they would be happy to have the jobs they had last year, at the salary levels they had last year.

Of course, the response of the public servants who were in my office was: "That is not everybody. That is just a small group", that the rest of my constituency would be happy to give the public servants what they are asking for.

I put a challenge to them. I guess the challenge relates to a group of people who appeared before the finance committee last week, the Professional Institute of Public Servants. They represent about 20,000–odd members. Their association has about that number of members. They appeared before the finance committee and said that really all they were asking for was a 6 per cent increase, and surely the government could afford that.

I said: "All right, if we can afford that, that is what the public servants in my office said that they would like to have, that 6 per cent amounts to about $800 million, give or take a bit". That was the number supplied by the Public Service, when it appeared in front of the finance committee, and it is not that far off what I believe is probably the correct number.

We can use that number reasonably. I said: "If my constituents believe you ought to have that $800 million, I'll support that $800 million on one basis. You go out and get a petition signed by a large number of my constituents to give the $800 million increase and I will support that on the premise that included in the petition is a clear statement that the GST rate be increased from 7 per cent to 7.5 per cent, because it is about a half of one per cent on the GST, which will give us the $800 million. So if my constituents are willing to allow us to give you $800 million, we have to find that some place, so I suggest that we raise the GST rate a half of one per cent in order to find the $800 million. If my constituents are truly supportive of the Public Service, they would naturally sign the petition and allow that to happen".

I am not sure I am going to be taken up on that offer, and I know darn well why I am not going to be taken up on that offer. I am not going to be taken up because my constituents would not support an increase, whether it is the GST, personal income taxes, a reduction in some of the tax credits or tax deductions. My constituents would not support that. I know that for a fact.

I come back to my other comment. They say that we keep wasting money, but when I asked them to give us some examples, they said: "That is not my job. I don't know where they waste it. You guys in Ottawa are supposed to come up with all these ideas".

I guess my comment on that area is that the money is not there. I think the public servants who were in my office recognize that. Certainly my constituents recognize that fairly clearly.

We still come back to a circumstance here where they are out on strike and we have to somehow bring them back to work. I find it unfortunate that we have to go this route. I find it unfortunate that we have to bring in back to work legislation that basically sends them back to work.

On the other hand, my constituents have every right to be served by government services that should be available to them. It is evident that Mr. Bean and some of the other executives of the union are more interested in making this a political strike than they are a strike of service.

There are a lot of ways that the public servants could have delivered the message to MPs. In fact some of them were doing it. Their standard line in some of the offices that serve my riding was: "If you do not like the answer that I have just given you over the last month, why don't you call your member of Parliament?"

My office gets lots of calls. I do not like all the calls, but I respect that that is a fair way of dealing with some of the labour problems. It applies pressure. The impact is not on my constituents. It is not on the person who wants to go to the employment office to find out about a job or to find out where their unemployment insurance cheque is. It did not impact on them. It impacted on me, and that is fine. I understand that is the bargaining process. That is the way it should be. Although I may not like it, I am quite prepared to accept that as one of the tools that is available to them.

Now I am told that when they return to work, as I was told this morning, they are certainly not going to be providing the service they provided in the past. I cannot force them to be efficient in the way they operate, but if they are going to take it out on my constituents, if they believe that they are really accomplishing something by

providing less service to my constituents who are coming to them for a particular need, I guess they really do not understand the process and what their job is. If they want to make an impact on me, so be it. If they want to make an impact on my constituents, it will not take long.

I have another problem with this legislation. I am going to vote for this legislation without any hesitation but there are some difficulties with it. We have amended the legislation. We have changed. We have said that, for example, presidents of Crown corporations will get zero per cent this year. Why is it that we excluded postal workers from zero per cent? I have some very great difficulty with that. In fact I thought an appropriate amendment to the legislation would be that if we are going to include various Crown corporation heads in this legislation we therefore should include those people who work for those Crown corporations.

I have some very great difficulty in seeing that Canada Post employees turned down a rather significant salary increase over their labour negotiations. They turned that down and went out on strike. I am sorry that it appears they are going to get at least what they have turned down. It is a pity that they were not included in the 0, 3, 3 business.

The other point that I think is appropriate comes back to the comment of some public servants who said to me that they were not going to perform. In the legislation there are restrictions that say if you do not come back to work you could be subject to $1,000 fine per day, that the union leadership could be fined $50,000 and the union could be fined $100,000.

Do you know what is missing in that? It is the will to work and the will to return to work. It seems to me that if there are some of the Public Service who want to defy this legislation and not return to work, there should have been a further amendment to this legislation that says if they refuse to return to work because of this labour dispute they should be fired.

I am sorry that is not in this legislation because I feel that way. They can take out how they like their various issues, but when it comes down to whether they are going to do the job or not and they refuse to do the job, then they should be fired. I am sorry that that is not in this legislation, but that is how I feel.

When postal workers in my riding went on strike there was a bigger picket line across the road from the postal workers that said: "Fire the strikers, hire the unemployed".

I simply conclude that I am going to support this legislation because my constituents have every right to expect from government service the service they are paying for in their taxes. I believe this legislation will make it possible for them to receive the service they are entitled to.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I wonder if the hon. member could elaborate on his statement concerning the freezing of wages.

He said that if the heads of our Crown corporations are going to suffer the zero per cent, the freezing of their wages, then those people who work for that Crown corporation should also have their wages frozen at zero per cent increase.

• (1250)

I wonder if the hon. member could tell the Canadian people why the federal government will not disclose the salaries of the chief executive officers of our Crown corporations.

For example, the head of CN, Mr. Lawless, makes about $360,000 a year; that is his salary. The poor fellow is being frozen at $360,000 a year, poor, poor man, frozen. What is his exact salary? It is secret. The Government of Canada will not release his exact salary. It says that it is a matter of privacy and that it would invade his privacy.

The head of Canada Post, to whom the hon. member just referred, makes about, I would say, anywhere from $260,000 a year to $280,000 a year. The poor fellow is being frozen at one-quarter of a million dollars a year. Does your heart not just go out to that poor fellow? What is he going to do? We should all be very concerned. His bonus is frozen as well, poor man.

There are two questions for the hon. member. For the 35 Crown corporations run by the Government of Canada, it refuses to disclose what the salaries are of the chief executive officers. Is it not a bit ridiculous for the hon. member to be saying that since the government has

frozen their wages at about one-quarter of a million dollars each, give or take $150,000, that can be compared to an ordinary worker who has his salary frozen at $25,000 or $22,000 a year?

Mr. Soetens: Mr. Speaker, I would be pleased to respond. Certainly the salary ranges of all of these jobs are very public and are released, but I should add that not only were the salaries of those high paid workers frozen, their bonuses were cancelled. They were not frozen; they were cancelled for the year.

I understand the point the member is making. If you look at the legislation, in the legislation is very clearly the fact that if the Public Service, for example, in the budget had got a 3 per cent salary increase, a member of Parliament such as yourself would get 3 per cent as well.

Are you going back to Newfoundland and saying very publicly: "I want the Public Service to have 3 per cent so that I, as a member of Parliament making $85,000 a year, can get 3 per cent or about $2,400 more"? Are you going back to Newfoundland, to your constituency where I hazard to say the salary income average is not $85,000 and saying: "I do not agree with this; I think my salary ought to be frozen"? Are you saying that very publicly, or are you saying: "Just a minute, only that guy at CN who makes a big salary, and that salary is comparable to what is made in the private sector, should have his salary frozen"? Are you saying it should only be him or are you prepared to say, and I hope you are, "the $2,400 I would get if the Public Service got 3 per cent is not right and I should not get it either"?

I hazard that that is really not part of the discussion. We have taken a broad brush. Whether you are making $20,000, $40,000, $85,000 or $300,000, it does not matter who you are, you are all getting zero. That is the way it should be.

Mr. Baker: I rise on a point of order, Mr. Speaker. It is Newfoundland. That is how you pronounce it. Do you understand, Newfoundland?

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I find it ironic that the gentleman from Ontario says that he would like to see in this legislation—and he is sorry that it is not in the legislation—a firing of public servants clause included. I find it ironic and my question on this particular item.

He refers to parliamentary salaries and he asked a question of my colleague from Newfoundland. I would ask him this question: Is it not true that this year members of Parliament are getting 3.7 per cent and of course 0 per cent next year? I turn the question over to him. Does he not think it would be a more even playing field or a fairer situation, if we impose 0 per cent this year on our employees, if we as members of Parliament get a 0 per cent increase also, as I think it should be?

Mr. Soetens: Mr. Speaker, my apologies to the people of Newfoundland if I did not pronounce it correctly. I guess I have not visited often enough to have the dialect correct.

Let me respond to the comment. The member asked should we members of Parliament be taking 0 per cent as we are asking the Public Service to take? Of course the member knows that in the 1990–91 budget, the period in which the salary increase he is talking about took place, members of Parliament took 3.78 per cent and the Public Service got 4.7 per cent. I believe that is the number. We took 1 per cent less than the Public Service last year. This year we are saying we will take 0, just as we are talking about them taking 0 in the 1991–92 budget. The alternative is that we take 0 which is I believe what the member suggested, go back to last year and roll that back.

As the member knows, we are paid on the basis of 1 per cent less than the rate of inflation. This year's inflation rate is running at about 6 per cent; 1 per cent off that is 5 per cent. You have a choice. You can have 3.78 per cent last year or you can have 5 per cent based on that formula for this year.

I guess my suggestion is that last year's budget was last year: 3.78 per cent is what we got, 1 per cent less than what the Public Service got. I am not afraid to stand up publicly and say that was a fair deal for everybody.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, government members who rise keep talking about fiscal restraint. I am wondering if the member could tell us why that fiscal restraint does not apply to independent contractors working for the government who may be performing the same work and who may already be getting paid more for it, as it applies to the people working for the Public Service.

Is he aware that contracts are costing more than the entire payroll of the Pubic Service Alliance? Why does he not think the same restraint should apply to independent contractors?

Mr. Soetens: Mr. Speaker, I do not know what budget the member is looking at. The budget I looked at says that this year the total cost of government operations is being restricted to what it was last year.

Within that, if there are outside contractors who have contracts with the government and want to raise their prices, the contractors had to bid to get the job in the first place, which the Public Service does not have to do. Second, once they have the job and the budget says there is no more money, if they have doubled their price something else within the system of government is going to have to be given up to offset that increase in cost.

I can honestly say that in a public tendering process, at least in the part of Canada I live in, things are very competitive. I can assure him that there are no great increases in individual tenders and individual contracts. That is not to say that some are not going up. It is exactly as we said to the Public Service: if some things go up, other things go down. They wanted a 3 per cent salary increase as we offered in the budget, that meant 3 per cent less employees. The same goes for contracting out. If the contracting out price is doubled, then there are half the contracts to issue. It is as simple as that.

Mr. Jim Peterson (Willowdale): Mr. Speaker, I rise today as the member of Parliament for Willowdale and also as the Liberal industry critic.

There are tremendous problems being caused throughout all of Canada by this strike. We have seen how our wheat farmers are losing about $50 million a week during this strike. The ships are backing up at the ports. There are 42 ships waiting and another 10 coming into the west coast. They cannot deliver our wheat.

The Canadian Manufacturers' Association has talked to Canadians and to this government about the devastating impact on Canadian manufacturers, manufacturers who depend on imports from the United States but the bridges are being blocked, manufacturers who are dependent on air travel but cannot count on our airlines today.

The president of the Canadian Chamber of Commerce, Mr. Tim Reid, said about this strike: "A pox on both your houses. The feedback we have got from our members suggests business people across this country are right out of patience with what is happening".

• (1300)

Mr. John Bulloch of the Canadian Federation of Independent Business states: "It is totally incomprehensible that the government would idly stand by and watch while small firms are being put at risk and in some cases thrown into bankruptcy by a breakdown of our system of government. Small businesses are already operating in poor economic conditions due to the ravages of recession, the burden of the GST, massive tax increases, high interest rates and high unemployment".

It is not just businesses and farmers and all people across Canada who are suffering as a result of this strike. It is the Public Service workers themselves. Most of the workers who are on strike earn between $25,000 and $30,00 a year and are getting only $25 a day in strike pay.

Yesterday I was on the picket line with employees in my riding. Some of them are public servants. Some of them said to me: "Mr. Peterson, this is the first time I have ever been part of a picket line. We cannot afford to be out here, but again we cannot afford not to stand up for our rights". Neither the workers nor Canadian business nor Canadians want this strike.

It is not just a matter of the short term economics. It is a matter of where we are going as a country over the longer term. I want to read into the record some of the statistics dealing with Canada's strike record. These come from the *Year Book of Labour Statistics, 1989–90*, prepared by the International Labour Organization in Geneva. It shows comparable statistics for various countries in the world. The latest figures are for 1989.

In 1989 Canada lost through strikes and lockouts 2,040,100 person days. Let us compare this with other nations. In Japan the figure was 174,000 person days lost and yet they have a labour force more than four times Canada's. In France the figure was not somewhere around 2 million. It was only 800,000 and they have twice our labour force. In Germany the figure was only 100,000 and they have more than twice our labour force. Switzerland lost 265 person days. They have one–quarter of our work force. The United Kingdom, the traditional bad boy of labour strife had yes, more than Canada did. It had 3.5

million person days lost, but they have more than twice the size of our labour force. In the United States, they had about eight times the number of person days lost through strikes and lockouts but they have over 10 times our labour force.

Other countries such as Austria had only 2,986 person days lost. They have a quarter of our work force. What an enviable record. The Netherlands had only 24,000. They have about half our labour force. Sweden had 409,000. They have one-third of our labour force.

Any way you cut it, Mr. Speaker, our record in Canada for labour management strife, for lockouts, for lost days is the worst in the world. We cannot afford this. It is cutting into our competitiveness, our productivity, our workers suffer from it, our businesses suffer from it and yes, Mr. Speaker, even the government's tax revenues suffer because of it.

What type of message does our strike record, along with this Public Service strike, send out to Canadian investors and to foreign investors. It sends out the message that you cannot count on Canada. They have not yet figured out the way to settle their disputes in an equitable and fair way. They are still bent on early 20th century and 19th century struggles, of confrontation rather than co-operation. We cannot count on Canada to provide the type of harmonious management/labour relationships that are critical to competitiveness in the 20th and 21st century.

I will just give one example. Last night I was in Willowdale. The chief executive officer of a major corporation had to be in Montreal this morning for an 11 a.m. appointment. He could not trust the airlines. He was driving from his house, leaving at 5.30 in the morning in order to ensure that he could keep that commitment.

The automobile is no substitute for secure air travel in Canada. Businesses need the assurance that they will be able to count on our transportation infrastructure.

With all of these problems that we face, why can I and my party not support this government's back to work legislation? First of all, this started out not as an attempt to deal in an equitable or fair way with our public servants. It started out as part of the government's political agenda. They looked back to the Reaganesque approach in the United States when President Reagan became a hero among neo-conservative circles by stamping on the air traffic controllers and firing them. This government felt that we have tough times. It would not admit that they were government induced, but we all know we are facing very tough times. It was part of this government's political agenda to beat up on the public servants so they could appear tough and in the eyes of Canadians who are not public servants, gain that political credit that they thought would be theirs for dealing firmly with our public servants.

When it introduced this back to work legislation, it made the Public Service an offer it had to refuse: 0, 3 and 3. They had to refuse that. What did this government do? It brought in its back to work legislation. But we on this side of the House opposed it and Canadians everywhere did not rally to its support. The public will was not there because people across Canada realized that this government was not being fair. It was not being fair to the one group that it was trying to make the scapegoats for the failure of its economic policies.

There were alternatives. From day one, we said: "Do not deal with back to work legislation. Bring in a mediator who can deal in a fair and an objective way with the issues at stake". The government has refused that. It is still refusing it.

There was another solution it could have brought in. It could have levelled with Canadians. It could have said: "Canada, we are in a terrible economic crisis. We have lost 13 per cent of our manufacturing jobs in 2.5 years since January, 1989. Unemployment is going up, it is not going down, in spite of our consideration that the recession is over".

It could have said that we are facing extremely tough times because our ability to compete is falling. It could have said to all Canadians: "We must all cut back. We must all suffer, equitably and fairly. Every Canadian, from the Prime Minister, through the cabinet, through members of Parliament, through the public service and through the business sector and employees must suffer".

• (1310)

It did not do this. It chose instead to favour certain groups. For example, it had huge bonuses proposed for certain members of the Public Service and agencies such as CN Rail, Atomic Energy of Canada and Canada Mortgage and Housing.

The member for Gander—Grand Falls brought to the attention of the House how they were going to get over $50,000 in bonuses this year. When the member for Gander—Grand Falls brought this to the attention of the House, the minister said that they had just cancelled them.

Where in this legislation is there any mention of the fact that these bonuses cannot be provided? It is not there. If the minister had been sincere in saying that he was going to cut back these bonuses because he was embarrassed, that he was even giving them to certain people in the Public Service and not to the PSAC members, then he would have cut back right in the legislation. They would have been subject to the same type of cutback.

Why, last year just before the budget was brought in which cut back certain public servants, did this government grant 4.2 per cent increases to 50 senior executives of Crown corporations and government agencies, including the governor of the Bank of Canada? Why did it do it then? Why is it not retroactively rolling back those increases?

The evidence is clear. This government thought that it could enhance its own neo-conservative political agenda by bashing our public servants.

Has it called on the private sector in order to become competitive to roll back its salary increases? Many people in the private sector are not getting salary increases, many people. Here is a report from the Toronto Board of Trade which showed that in 1991 the increase in the base salary of executives in the metropolitan Toronto area, which excluded variable or incentive compensation, on a weighted average right across the board, went up 7.7 per cent for 1991.

This government wanted to con all Canadians into bearing the burden of our present dire economic circumstances induced by this government's mismanagement of our economy. It should have called on all people to bear that burden.

What type of management practice is this government calling upon to give credibility to its own policies? I can do no better than quote to you from an article by the journalist, Mr. Geoffrey Stevens, in *The Toronto Star* of September 15:

> Picture the government as a private corporation. What would happen if the corporation handed out pay increases to its directors and senior managers—then, without negotiation, announced to its office and factory workers that they would get no raise this year and less than the inflation rate for the next two years? There'd be a strike and the public would say the employer had provoked it.

Mr. Speaker, he goes on:

> —an employer who tries to appear tough by deliberately treating his own workers unfairly is an incompetent manager. He's also a malicious fool.

We are facing a new world economic order. Borders are opening up. Corporations can keep plants anywhere in this world they want in order to take advantage of competitive factors.

One of those major competitive factors is whether businesses can count on Public Service being on the job. It relates to our transportation infrastructure, communications infrastructure, air travel, shipping, whether people can get their cheques, whether people who have to deal with the Public Service can get those services on an ongoing basis.

That is one factor. It is critical to our competitiveness. Even more important over the long term in terms of where our economy is going is a new attitude which we have to bring to Canada. It is an attitude which is not novel. All you have to do is look elsewhere in the world.

It is the European and Japanese model of doing business as opposed to the American, U.K. and Mulroney approach to doing business. It is a role where governments, public servants, industry, financiers, educators and labour work in close harmony, partnership and co-operation to set economic goals and to achieve them. Even the minister for industry has recognized in his paper *Prosperity for the Year 2000* that we are going to need this type of co-operation.

What does this government do? It deliberately sets out, as the biggest employer in this country and as the manager of its own public servants, to set an example that no private sector company could get away with.

We are not going to have harmony among the sectors, government, business, labour, or between the government as an employer and its own employees. We are not going to have that co-operative effort which is necessary to make us competitive on a global basis.

What if this legislation is allowed to pass this House, what if this government is allowed to persist in bashing its own employees in order to try to appeal over their heads to the other Canadians who are suffering? This is not the way it should be done. This is not the way to create a competitive environment in this world.

We have to end strikes, we have to get rid of them, but we cannot do it in the crass political way that this government is seeking to do it on the backs of Canada's public servants. Let us use this as a lesson. Let us get the mediator in there to settle the strike.

If that mediator was appointed today, those workers would be back on the job within hours. Then we could have a fair resolution to it. I would hope after that this government would resolve to never again try to make cheap politics out of its dedicated public servants.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, first of all, I would like to congratulate the hon. member for his very fine words that are now on the record of this Chamber.

I am particularly impressed with his reference to the state of mind, the demoralization of our public servants today by the Government of Canada.

I was listening to the President of the Treasury Board in this Chamber last night say that regional rates of pay were a good thing. Those were his exact words. That is, paying people different wages for doing the same job depending on where they were working. He made reference to the fact that about 20,000 or 24,000 of our workers in Canada in the general trades and labour end of the Public Service Alliance of Canada, the pipe fitters, the plumbers, carpenters and drivers of machinery, are on different wage rates in Canada.

Here in Ontario there is one wage rate if you are working in metropolitan Toronto, and there is another wage rate if you are outside of metropolitan Toronto. If you are doing the same job for the federal government, there is one wage rate if you are working in Vancouver and another wage rate if you are working outside of metropolitan Vancouver. If you are working in Vancouver as a plumber, you get more wages than if you are living outside of Vancouver and working for the federal government as a plumber. But you make less wages if you are working for the federal government in Vancouver as a pipe fitter than you do if you are living outside of Vancouver working as a pipe fitter. The same applies to Toronto.

• (1320)

In other words, for some occupations you receive higher wages if you live in a metropolitan area than if you live outside, and for other occupations you receive more wages if you live outside than if you live inside. This is completely, absolutely ridiculous and does not stand up to reason at all. The minister blamed it on a former government. I have researched this thoroughly and I can tell you, Mr. Speaker, that the way this started back in the sixties was that it actually started with the union. It was the union that negotiated regional rates with the government of the day. It was, and I can prove it, the union and the government of the day.

What has happened since then? We have gone past the age of enlightenment. We are up to 1991. We have laws in this country on wage rates. This government certainly breaks the law. Yet the President of the Treasury Board stands up in the Chamber and says: "No, no, it is all right, it is great".

The hon. member a few moments ago—and perhaps he could comment further on it—referred to the total destruction of service to the people of Canada by the Government of Canada. In every area, from the mail service to when you walk into an office, there is the total destruction of service. We have public servants who are looking over their shoulder wondering when they are going to get laid off or when some manager way up somewhere is going to receive a bonus for getting rid of them.

Mr. Peterson: The member for Gander—Grand Falls, as usual, has raised a couple of issues which are critical to our dealings with our own employees, our own public servants, and to the fabric of what Canada is about.

First of all, if an employee is always looking over his or her shoulder, worrying if the axe going to fall on their neck next, then it is inhuman to think that that person is going to be able to concentrate on the job and on service. It is just not human nature. They are more worried, and become more worried, about office politics, which is

very, seldom conducive to solid performance and competitiveness.

There is nothing wrong with giving some people some security so that they can throw themselves into their jobs, so they can feel confident about their own future, so that they can invest in their own upgrading, so that they can become part of something that is going to be there a year from now, so that they can contribute on a long term basis. It is this type of morale and spirit that we see in competitive companies around the world.

Take the Japanese, for example. They know that they have jobs for life and they are going to be trained and people are going to work with them to make them more competitive and make them the most competitive in the world. In those circumstances, they are prepared to give because they are part of something and they have security.

Rather than the fear approach in managing your own people, how about the carrot approach? How about the security approach, that we are all part of something and we can make it bigger? That is what is going to produce the high morale and the high efficiency, be it in the private sector or the public sector.

He raised another issue about differential rates of compensation for people inside and outside various geographic regions in this country. This is one of the great Canadian dilemmas. I don't have an answer to that. For example, we know that people living in the north of Canada have very much higher living costs. This is why a number of years ago we brought a northern benefits provision into our Income Tax Act, recognizing that these people living in a particular region had an unfair burden to bear in order to stay Canadian and live there, the cost of fuels and things like this. So we have, over the years, attempted to recognize that there are inequities in our country caused simply by geography, caused simply by the various costs of living.

I am not saying that we have found ways of dealing with those in an equitable and fair manner for all involved. But it is a struggle that we have to go through, just as we recognize that in the regions in Canada, they may have fewer economic opportunities than in some of the central parts and we have to find ways to give those people security, dignity and meaningful lives.

In conclusion, I think that will be part of the ongoing struggle, through the millennia, of being Canadian. Because we are a sharing people and because we do believe that Canada united is stronger than Canada driven apart, we will make that commitment and that effort to ensure the equity.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I want to thank the hon. member for Gander—Grand Falls for that question on regional rates. I was most interested that it was a member from Toronto who, in the second part of his answer, gave sort of an answer but did not really come out, perhaps, as fervently for the principle as I was hoping, knowing his interesting background in national and provincial politics. I listened to his speech and have been sitting here all morning in hopes of perhaps contributing a few thoughts to this debate and add another dimension to it.

I was one of the members here when the Public Service Staff Relations Act–1966 was debated in this House of Commons and I am going to refer, if I can catch the Speaker's eye some time during the debate this afternoon, to a few remarks made about what might happen when we embarked on what, at that time, was a pretty brand new blazing precedent in terms of extending this right for public servants.

I have a question for the member who just spoke. I have listened here and have watched on television most of the debate as we have had this on–again, off–again problem, and it is an unfortunate problem. Frankly, as *The Citizen* said, and almost everyone else outside of Ottawa has said, both parties have tainted fingers on this.

My question is, and I have not heard very many members get into this, does the member sort of equivocate it on regional pay rates? I can understand that, although I am a little disappointed. I would like to ask him what his thought is about the right to strike in the Public Service, as compared to compulsory arbitration.

Mr. Peterson: I don't know what the solution is. I would have to be very honest with you. We cannot afford strikes. We cannot afford strikes in the public sector, we cannot afford strikes in the private sector.

As I put on the record, our record among all those countries I mentioned is abysmal. We are far out of step with international standards in terms of days lost because of strikes and walkouts. Surely we have got to find a way to do it. If the member thinks that by eliminating the right to strike may do it, I am not sure it will.

I think it has to start right at the top, with management. I think it is an attitude. I know when I was an employer in the private sector people could have struck, people could have walked out. If they don't like what you are doing, they just do not perform up to their potential as human beings.

Management has an obligation to provide the conditions under which people can fulfil all of their potential in their work environment. That is not happening, and we have got to find a way to get rid of strikes. To me, it is not a legislative concern as much as it is one of attitude and changing the whole ethos of both the public and private sector in Canada.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. member for Saint-Maurice.

Mr. Denis Pronovost (Saint-Maurice): Thank you, Mr. Speaker—

• (1330)

[*English*]

Mr. Nowlan: I have a quick point of order, Mr. Speaker, which is very relevant to the present discussion. I am sorry to interrupt my good friend who made an interesting contribution to this debate in second reading. I am certainly looking forward to his contribution at third reading.

Is it correct that as far as I can tell, yesterday's *Hansard* is not on our desks now because of the strike, that the truck with *Hansard* is somehow impeded in a traffic jam or is being prevented from coming to the Hill?

With respect, Mr. Speaker, if you do not know the answer, could you kindly get the answer and find out what the devil is going on here?

The Acting Speaker (Mr. DeBlois): I understand the question of the hon. member. I have in my hand the *Hansard*.

[*Translation*]

I have a copy here of yesterday's *Hansard*, but it is not bound. We intend to check whether all members will receive copies of *Hansard* in its usual form. I want to thank the hon. member for drawing the attention of the House to this matter.

Resuming debate. The hon. member for Saint-Maurice.

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, as far as I am concerned, my hon. friend from Annapolis Valley—Hants can rise at any time on a point of order because he is a good friend, and I don't mind being interrupted, especially since I had not even started.

Mr. Speaker, I wish to speak today on third reading of the back-to-work legislation aimed at employees who are members of the Public Service Alliance of Canada. Although I have several reasons for wishing to speak to this bill, there is one important point I would like to make for the benefit of Canadians who are listening. After two and half years in the House of Commons, Mr. Speaker, I realize that most of the time the House might as well be on another planet, a planet not familiar to Canadians who live on Main Street in Shawinigan, Vancouver, Smiths Falls in Ontario or Gander in Newfoundland.

This place operates on assumptions that have no application in the real world. Earlier, the hon. member for Willowdale made a very interesting speech. He mentioned the fact that we in Canada have the worst record for strikes in the Western world. This hardly enviable record is not necessarily the fault of the Government of Canada but of Canadian society as a whole. Consider that Ontario, Quebec and British Columbia, the three provinces with the largest populations, have experienced a number of strikes with a very negative impact on the Canadian economy. These strikes were in the primary sector and, more specifically, in the pulp and paper, aluminum and forestry industries.

Our competitive position on international markets has been seriously undermined by these strikes which also occurred in the steel industry and other sectors. Mr. Speaker, I think that someday, we will have to consider doing what other countries have already done: draw up a

new social contract, signed by all three economic partners–governments, unions and business.

Although his speech was most interesting, the hon. member for Willowdale finally put the blame on the Government of Canada. Of course, strikes were a serious matter and hurt the economy, but we should let the strike go on and not pass this legislation, not put an end to the strike immediately, because our competitive position— That was not the way to solve our problems.

The Liberal member talked about the concerns of the business community. The funny thing is, Mr. Speaker, the business community brought this subject up last week, when the Quebec division of the Canadian Manufacturers' Association made suggestions to the government of Canada for improving exactly what my Liberal colleague from Willowdale just mentioned, i.e. our competitiveness on the international markets. Canadian manufacturers, responsible for creating jobs in Quebec and in Canada, made a number of recommendations to the government. There are three that I would like to quote if I may, Mr. Speaker.

First, that Canadian manufacturers should continue to invest in modern technologies to increase the productivity of the labour force. I am in agreement with that. Their second recommendation—and my hon. colleague from Willowdale should listen to this—was that all levels of government without any exception—federal, provincial, municipal, school boards, Hydro–Québec, Hydro–Ontario, B.C. Hydro—would negotiate lower wage settlements to match the overall productivity growth in Canada."

This year, Mr. Speaker, our productivity growth was not great.

The other recommendation the Canadian Manufacturers' Association made was the following: that the governments should try to eliminate the budget deficit and cut back on other funding requirements so as to reduce borrowing by the public sector on financial markets. What does that mean in layman's terms, Mr. Speaker, for the ordinary people across this country who sometimes get the feeling they have landed on another planet? It means, Mr. Speaker, that Canadian savings and foreign capital in Canada are in fact used mainly to service our national debt instead of financing capital projects needed at the industrial and economic level. This has to be pointed out.

So, manufacturers tell us, and I tend to agree with them, that we have to reduce the deficit and to limit the total payroll in the federal Civil Service, in order to set an example for provinces and businesses. You know what, Mr. Speaker, it works. In four Canadian provinces, our plan for 0, 3, and 3 per cent has been applied, and in a more drastic manner too. Do you know, Mr. Speaker, that in the province of Quebec, unions, even the most militant of them, like the CSN with comrade Gérald Larose, and the Quebec civil servants have agreed to 0 per cent for a six–month period? There was no strike. They did not organize a political strike just to please the New Democrats or the Liberals, who want to knock down the government at any cost. Just wait until the next election, then you can do whatever you want to, but for now, Canada has to work.

Even the unions in the province of Quebec said they did not really like 0 per cent, but still, they sat down with the government and signed an agreement, giving Quebec civil servants 0 per cent.

What happened elsewhere? In some provinces, agreements were signed, then torn by the government who came back offering 0 per cent. In many sectors, Mr. Speaker, that is how things are done. Why? It is quite simple, Mr. Speaker. This year, the budget of the Canadian government will reach $192 billion. I think that is more than enough to ask from Canadian taxpayers. That is enough. I do not think we should add one more cent to federal expenses. I believe Canadian citizens consider that with this amount we should be able to manage. The majority of Canadians think like that, except members of the Liberal Party of Canada and members of the New Democratic Party of Canada.

Some people here are going to say: "You are not serious." But I do have proof of what I am saying, Mr. Speaker. Members on this side of the House had the political will—and God knows how much of it was needed over the last two years—to say no, despite the fact that everybody is asking us for something. In our offices we receive dozens and dozens of organizations asking for grants for this, or financial help for that, but

once in a while we have to say no. And it's not easy as a member of Parliament to have to say no.

The Liberals when they were in government, at the time of Pierre Elliott Trudeau, said yes to everybody. And the result is the huge deficit that we must bear today and for a long time to come; my children and my grandchildren will continue paying interest on that debt, Mr. Speaker, not to mention paying back the principal.

I was going to say that on this side of the House we decided to put a stop to spending. The time has come to stop throwing money out of the window, but it's not easy to close a wide open system, a system which was spending freely taxpayers' money, and make such a system conform to more reasonable standards. That's what we have been doing for the past seven years, not perfectly, but Liberals were spending 14 per cent more each year, while we were able to limit spending growth to 3.4 per cent per year. You have to say no to thousands and thousands of Canadians, Mr. Speaker, and that is not easy.

And we want to continue on that course. Canadians want us to put a stop to public spending, but here I have, Mr. Speaker, something called the *Status of Bills and Motions*. For those who don't know what it is, motions are proposals made by members from any party in the House requesting the House to make a decision on a given subject.

In this book, Mr. Speaker, there are hundreds of motions. I was counting them. I think there are 500 or 600. Some are from members of this side of the House, but most come from the New Democratic Party. This is quite strange. I am counting them today, and when I have the final tally, Mr. Speaker, I will bring it to you. It will make good reading for you tonight. I believe that 200 or 300 motions have now been tabled by members of the NDP. About 200 of those motions request new expenses, the creation of new departments as well as new investigating committees, the giving of this for that, the giving of money to so and so, to a group, in short to just about everybody in Canada.

• (1340)

The New Democratic Party is of the opinion that 192 billion dollars a year is not enough. It has found a way to table 200 motions to tell Canadians: Ottawa does not spend enough; it should spend more. Those people have never understood how the economy works and they want to please everybody. Yes, yes, yes. You want such and such a thing: fine, we will give it to you. We, the Government of Canada, are generous. We will empty the pockets of the Canadian taxpayers, but it is no big deal since we are in the opposition.

What is rather surprising, Mr. Speaker, is that the Liberals, who have been in power long enough, are doing the same thing. They are starting to tell us that right now they are concerned with the deficit. You have noticed that. It is the honourable member for Lasalle—Émard, who lost during the leadership convention of his party. I found that what he had to say was interesting. This is a guy who was saying: indeed, may be it is time to start cutting on the government expenditures. The Liberal grassroots rejected him and chose instead the member for Beauséjour as the leader of the party, a person who knows how to spend, Mr. Speaker.

Yesterday afternoon, during Oral Questions, the leader of the Opposition, the member for Beauséjour, rose. You should have seen his face.

He was mad. He was tense and he was looking at the President of the Treasury Board and pointing his finger at him saying: is it not an awful thing that this government has tolerated 14 days of a strike that affected the Western grain producers and the transport of grains? As he was saying, and I quote: "We are presently losing 30 million dollars a week with this strike. Why, Mr. President of the Treasury Board, have you not included in the essential services the workers that look after the transport and the handling of grains?" Because, if you listen to him, 30 million dollars is a big loss for the economy. We on this side of the House agree that it is indeed a big loss and that is why we are tabling a special Act, because the interest of Canada comes before the right of anyone in this country to strike and that interest is in serious jeopardy.

But what is even worse, Mr. Speaker, is the fact that yesterday the leader of the Opposition had the audacity to criticize the President of the Treasury Board, to say that after two weeks of strike, the situation is now intolerable and that the Canadian economy in the West, as well as the farmers, will be ruined. It just so happens that in 1975 the leader of the Opposition was the President of the Treasury Board and do you know what happened that year Mr. Speaker? There was a strike in

the sector of handling and transport of grains in Western Canada. Look at what the leader of the Opposition did then. It just serves to show that the people across th floor say things but do the opposite. That is the recent history of Canada, the history of recent years. Do you know what he did Mr. Speaker? He tolerated the strike by western grain handlers, who are civil servants, not for a period of 14 days like us who have tabled a bill more than seven days ago, not for a week, two weeks or even three weeks, Mr. Speaker, but for 31 days!

And do you know what he did to solve the problem? He gave an additional one percent raise to the strikers, who were civil servants working in the grain sector, one percent more than what they were asking for. Do you know what these civil servants were asking then? Brace yourself. They wanted, over a period of two years, a 28.4 per cent raise Mr. Speaker. So the President of the Treasury Board said: Listen, you have been on strike for 31 days, you have lost money. It does not make sense; we will give you 29.4 per cent over a period of two years.

And do you know what the then President of the Treasury Board said at the time, that is on March 19 1975? He said, and I quote because I want it to be clear that those are not my words: "In my opinion it is a good agreement. The population will understand, I hope, that it is sometimes necessary to suffer because of a small strike that lasted 31 days." It is the leader of the Opposition who, yesterday, made a tantrum in the House to show that he, and he was talking loud, loved the Rockies and that he wanted to protect the farmers of Western Canada.

Mr. Speaker, how can we give the least bit of credibility to the people across the floor when they make such speeches? They do one thing one year and they preach exactly the opposite. They try to win on both sides.

Mr. Speaker, as is the case for the honourable member for Carleton—Gloucester, there are many civil servants in my riding. I have met them and they are not pleased with the government. They are not pleased and it is understandable. It is understandable that they are not happy given the kind of things they hear in this House and the fact that they do not get the full picture. That is the reason why an ad was published in the weekend newspapers to explain the government offers.

A lump sum of 500 dollars was offered to the lowest paid civil servants. Do you know what Darryl Bean said? He said: "It's a slap in the face". Mr. Speaker, some people in the riding of Saint-Maurice, who live in Saint-Mathieu du Parc, in Saint-Boniface and in Saint-Georges de Champlain, would be quite happy to get slapped in the face by the federal government with a 500 dollar cheque.

Do you see the problem, Mr. Speaker? I agree that the federal civil servants should be well treated, but I think that they should also be made aware of what the reality is. They are entitled to a free dental plan paid almost entirely by the Canadian government. They are entitled to retirement pensions that are fully indexed to the cost of living. I believe those are very important benefits in many other provincial economic sectors. I will end by talking about pay equity.

Pay equity refers, among other things, to the money that was given to women who were earning less than men last year. The NDP members tell us that we do not make any sense. Yet, to ensure fair treatment to the women that are in the public service, last year the federal government took money in the pockets of Canadian taxpayers—it took 317 million dollars—and redistributed that money to ensure pay equity for women. This year, we are adding another 81 million dollars. The people across the floor are still complaining. When are we going to stop, Mr. Speaker?

In my riding, there are people—Revenue Canada employees—who, last year, received 2,000 dollar cheques at Christmas. They got a 2,000 dollar cheque because of pay equity. Yet, those people are still not happy. The NDP members are telling us in their 200 motions:

[*English*]

The government should spend billions and billions and billions of dollars more money, more taxes for Canadians. The Liberals are saying the same thing.

[*Translation*]

I will conclude on that note. It is urgent, in the national interest, to stop making great patriotic speeches about the country and to act in the interest of Canada. We must pass this legislation. We must give leadership to Canadians and make sure that the Public Service of Canada is at the service of all Canadians.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, in his speech the member spoke about the motions and the fact that there were a number of motions from the New Democratic Party. He said that these are the types of motions that would cost the taxpayers money. However he did not refer to some of the motions that I have put.

One of mine calls for a prohibition of promises during election campaigns. I wonder, if the government is so concerned about saving money, would it stop making promises just prior to Saskatchewan and B.C. elections? I wonder if the member from the province of Quebec who has been in the House for a while now can explain exactly how much his government spent trying to secure the by-election in Lac-Saint-Jean.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, as you know, the promises made during an election campaign and the reality of a government are not always to our liking. The NDP cannot use that technique since Bob Rae has become the Premier of Ontario. The NDP can no longer tell us what to do.

You talk about the honourable member for Lac-Saint-Jean and that is another matter. The money that was spent in that riding has been increased. That could be re-evaluated.

• (1350)

This could lead to a lengthy debate and I am prepared to get to the bottom of this with my hon. colleague from Churchill. We should also refrain from constant suggestions that something always happens at election time, whether provincial or by-elections.

What is important today is that the Canadian economy as well as the economic recovery are threatened by the federal public service strike now entering its third week. Yesterday, activities in the port of Vancouver were at a standstill. In Dorval, nails were spread over the road causing hundreds of flats. Nurses at the Sainte-Anne-de-Bellevue hospital, a veterans hospital, were prevented— were assaulted. They had tomatoes and I do not know what else thrown at them. Essential services regulations were violated.

I can still hear the member for Shefford talking nonsense. Maybe he should tell us what he really thinks of all this. Last week, one Bloc Quebecois member was for it and another one was against. One day, the member for Shefford—as regards the member for Hull, it is quite another matter—is a member of the Liberal Party of Canada. The next thing you know, he has made an about-turn because the wind has changed. He resigned from that party and turned sovereigntist after losing the leadership race. He actually joined the Bloc Quebecois while still a member of the Liberal Party of Canada. He then joined the Quebec Liberal Party. Tomorrow, he may join the Parti Quebecois. We have no lesson to learn from the worse political flopper in the history of the Canadian Parliament.

This government is responsible and dependable. It is not easy to act under the present circumstances but we wanted to set an example for all the people of Canada. We will continue to do so and to denounce acts of violence occurring on the picket lines. I am sure that what concerns the Canadian people is to have a government that actually takes on its responsibilities. The Canadian people know better than that. They have come to the conclusion that they will pass judgement on this government in due time, but, for the time being, they will let it govern. That is how things work. So, let it be no attempt to overthrow the government like the present one as the members of the NDP are attempting to do.

Hon. Jean Lapierre (Shefford): Mr. Speaker, as I listened to this muddled speech, I thought it clearly reflected the state of panic of the hon. member for Saint-Maurice. A few days before the Bloc Quebecois was established in Saint-Maurice, the hon. member panicked. He comes down hard on public servants but earlier criticized the hon. member for Beauséjour for having said this or that a few years ago. At the same time he was proud of the number of public servants he had in his riding. In fact, he failed to give credit where credit is due, and although it is not my intention to defend the hon. member for Beauséjour, I think the hon. member seems to have forgotten why there are so many public servants in his riding in the first place.

My point is that we have no trouble with our position. As individual members, we are free to express our views. We are not stuck with a party like his, where whenever his leader rises to support a measure, the hon. member

for Saint-Maurice, who has never shown any personal initiative, votes with his government and jumps when he is told to jump. That is what he has done so far.

Mr. Rocheleau: They say jump, and he jumps.

Mr. Lapierre: We in the Bloc Quebecois can make up our own minds and make our own decisions.

Mr. Rocheleau: Enlightened decisions.

Mr. Lapierre: In this instance, I can inform the hon. member that we intend to vote against his bill because it ignores collective bargaining traditions in this country. It is pure provocation, no less. This government is so panicky that, now it is down to 12 per cent in the polls, it is prepared to attack its own public servants to give the impression it is doing its job. Unfortunately, provocation is no way to run a country. The hon. member for Saint-Maurice should be ashamed to be a party to this provocation, just to score a few political points that will have no impact at all.

Today is a sad day for the labour movement. It is a sad day for government responsibility, because this government wanted to use public servants to try and score political points. Unfortunately, Canadians have seen through this ploy, and that is why the government is still down there in the polls.

Mr. Pronovost: As usual, the hon. member for the Bloc Quebecois did not speak to the substance of the matter. They have a one-track mind. They get up in the morning and look at the polls. They do the same when they go to bed at night. They don't do anything else.

Mr. Speaker, we ignore the polls. We run the country. It isn't easy to get along with people like that, but we will manage. What I can tell you, Mr. Speaker, is that when I rise in this House it is, unlike the hon. member for Shefford, to defend the interests of Quebec and Canada. He can no longer say that. He is trying to defend the federal public servants. What is he doing in this debate? What is he doing in the House of Commons? We can ask ourselves this question. I do know however, Mr. Speaker, that in Quebec the government has imposed a zero per cent raise for 6 months to its public servants and unions accepted it! There was a social consensus. Why don't we have that here? Why are members of the Bloc Quebecois not supporting the government? It's quite simple, Mr. Speaker, it's because these people want trouble for the country, they do everything they can to make things go wrong and this is why, we have to denounce members of the Bloc Quebecois who are totally incapable of assuming their responsibilities in this House. As far as politics are concerned we will meet again in two years, we will meet in Shefford, people in Grandby will have every opportunity to reward the hon. member for Shefford.

I will conclude Mr. Speaker, if you don't mind, by saying that our wage and non-monetary offers to public servants are among the best in this country. What more do they want? They have the best pension plans there are, they have the best dental plan there is. Compare that to what the provinces have, you can't fool people all the time. They know that public servants are not about to starve, that we are not about to flog them! There is no doubt, Mr. Speaker, that we would like to give more to our civil servants, but there is a fiscal reality. We have $192 billion at our disposal and I don't think we can spend as much as members from the NDP or the Liberal Party of Canada are asking us to do.

It is about time we put an end to the profligacy and we ask opposition members to come back on earth and stop living with their heads in the clouds.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I asked one of the members who spoke previously if he knew how much the government had spent in the riding of Lac-Saint-Jean just prior to the by-election which eventually elected the new leader of the Bloc Quebecois.

I think it is an interesting point because if that money had been offered to the Public Service workers who are on strike right now, there would not be a strike in Canada. All the speeches by government ministers and government members, talking about the need for restraint, ignore their own practices.

If there is a by-election it wants to win for one of the Prime Minister's former friends, then it has the money. If there is a provincial election in Saskatchewan, then it has the money. If there is an impending election in B.C., then it has the money. Prior to the 1988 election, which elected some of those members, the government had all the money it could find and tried to spend it.

If you want to talk about honesty, then give the complete picture. This government has had a terrible history. In 1985 it attacked the pensioners. It said that they were the cause of inflation, that they had to give up some of their pensions. Later it attacked those receiving the family allowance. Now it is attacking government workers.

Yet every time the Prime Minister has somebody he wants to help, some contract, then the money can be found.

We have seen so much government waste, but that is not what we are dealing with here. There are all sorts of topics and areas where there is government waste, but that is not what we are debating.

The entire cost of giving those people who are on strike a wage increase equal to the cost of inflation is about $300 million. This government makes promises of that amount without any tendering process, without any consultation, without any consideration or regional development, without any figuring out of how it affects other companies that are competing in that same field. That money is found and it is found for political reasons.

For members of the Conservative Party to get up now and say that we cannot afford to give our employees an increase equal to the cost of inflation is denying what they do on a daily basis. If the main goal of the government is to attack the deficit, then it should come forward with a package that takes away some of the arbitrary rights to mismanage our future. That is what is costing us money. To say that someone in the city of Brandon, where I was last week, earning $23,000 or $24,000, is causing the inflation in this country, that she is responsible for the debt and the deficit in this country is simply not true.

What these government members in their vehemence have ignored is that the person I am talking about in the city of Brandon was not a militant. She was not someone who said she had to stand up to this government, she was someone forced into that situation. This person listens to Conservative backbenchers and ministers get up in this House and attack her. That is what they do. They do it with vehemence. How can you expect those employees of the federal government to sit back and take it.

All of us reject the use of violence whether it is on the picket line or elsewhere. But one of the things I have noticed in this debate is that there is all sorts of concern about violence that occurs on the picket line—and I share that concern—but there is all sorts of concern about the number of days that are lost during strikes and lockouts. Let me make one point, Mr. Speaker. Those members are not concerned when five times as many people are off work because of sickness and death in the workplace every year as there is because of strikes and lockouts.

I recognize it is two o'clock and if I may, at three o'clock, finish my speech.

The Acting Speaker (Mr. DeBlois): It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

DORVAL AIRPORT

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, I am delighted to rise in the House of Commons today to commemorate the 50th anniversary of Dorval Airport in my riding.

[*Translation*]

Who among us, in deed what Canadian has not heard of Dorval airport, a most important national and international centre?

This airport facility makes an invaluable contribution especially for the residents of Lachine—Lac-Saint-Louis.

[*English*]

Mayor Yeomans of Dorval has indicated that the economic contribution of Dorval Airport to the region is second only to the economic impact of the arrival of Jacques Cartier. For 50 years Dorval Airport has provided the Montreal community with an efficient, convenient, and accessible transport centre for all air travellers.

Congratulations, Dorval, and here's to 50 more years of growth and achievement.

[*Translation*]

CHILDREN

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, no tragedy is more serious than the one that affects thousands of children every day throughout the world.

Each day, some 40,000 of them die of hunger and diseases related to adequate nutrition and a lack of hygiene. Thousands more are subjected to slavery, exploitation and prostitution at ridiculously low rates, to operate of markets and systems that can only be termed criminal.

It is a world crisis that is just as unacceptable and urgent as war and the devastation of our environment.

Last year, 71 international leaders met at the World Summit for Children. They made a commitment to cut infant mortality by one third to reduce malnutrition by 50 per cent and to provide access to drinking water for everybody by the year 2000.

Mr. Speaker, these goals are attainable, but the political will must be present. Our political leaders must take their commitments to heart. On this first anniversary of the World Summit for Children, I urge our government to keep to its promises!

* * *

[*English*]

HEALTH

Mrs. Dawn Black (New Westminster—Burnaby): Mr. Speaker, October is breast cancer awareness month in the U.S., but not in Canada. One in 10 women in this country will face breast cancer in her lifetime. Breast cancer is a disease that maims and kills women in huge numbers. Some research has been done through breast screening programs and programs to teach women self-examination, but it is a disease for which funding for preventive research is sadly limited.

Let me give you an example. For each person who dies of AIDS, $365,000 will have been spent on preventive research. For every woman who dies of breast cancer, only $882 will have been spent on preventive research.

This is not meant to suggest that research should not be done on AIDS, but to illustrate how inadequate the funding for breast cancer research really is. Every woman is at risk and Canadian women deserve better.

Declaring October breast cancer awareness month would be one small way for this government to recognize the seriousness of breast cancer and to renew its commitment to breast cancer research.

* * *

PENSIONS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, 102,000 British pensioners living in Canada are being discriminated against by the British Parliament to the tune of some 104 million pounds.

Britain indexes pensions owed to its former residents and workers who live in the United States and 31 other countries, but not Canada. This is like a mother disinheriting her own children by giving away the family jewels to the neighbours. Surely Britain, which played such a significant role in Canada's history, should not deny its former residents benefits they have earned.

I urge the government to encourage the British Parliament to have pity on British pensioners living in Canada.

* * *

EDUCATION

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, the United Nations' survey on human development ranks Canada as the second best country in the world in which to live.

I believe we can be number one. Increased prosperity for all our citizens will become a reality as Canada becomes more competitive. Together we must foster a learning culture in Canada. We must encourage and invest in research and development, in science and technology. We must invest in our country and its resources. We must promote a more competitive domestic market by reducing and eliminating provincial trade barriers. We must expand our pursuit of every available trade opportunity.

We have been blessed in this country with many competitive advantages; strategic geography, rich natural

resources and natural trade markets. Let us build on these advantages and let us make Canada number one.

* * *

SOCIAL PROGRAMS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, the economy is taking a toll on our children. In the past year, there has been a 50 per cent increase in the number of children in this region who are on general welfare. It is estimated that 7,708 children are receiving family benefits. This is an increase of close to 17 per cent over the same period last year.

These numbers do not include the children of the working poor who, while not receiving benefits, are struggling to make ends meet.

The same report indicates that the general welfare caseload rose more than 45 per cent over the pass 12 months. The government continues to ignore the suffering. It has yet to fulfil its commitment to alleviating child poverty by bringing into force the convention on the rights of the child.

The government was quick to place a cap on its Canada Assistance Plan contributions which pay for the above mentioned welfare programs.

I ask this government; when will it finally act to end the suffering of our children?

* * *

[*Translation*]

RECYCLING IN REPENTIGNY

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, I am very proud to inform you today of an environmental program that was launched in Repentigny, the largest municipality in my riding.

In announcing its selective garbage collection project, Repentigny set a precedent among Canadian municipalities. Mr. Speaker, under this program, a contribution of 25 cents per week per owner will create a capital fund whereby this city can initiate environmental projects—innovative and rewarding environmental protection initiatives.

Therefore, Mr. Speaker, I take this opportunity to point out the work done by the mayor of Repentigny, Jacques Dupuis, the committee chairman, Florian Chartrand, and all those responsible for this program, namely the residents of Repentigny, who demonstrate in a concrete way their desire to preserve the environment. I call on all Canadian municipalities to follow the example of Repentigny, because, Mr. Speaker, the environment is everyone's business.

* * *

• (1410)

[*English*]

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, yesterday over 4,000 farmers rallied in Rosetown, Saskatchewan to protest the lack of action by the government in the farm financial crisis.

Last year the government cut support programs for Canadian farmers by $1.3 billion when grain prices were falling to their lowest level in a generation. Last winter the government committed to providing over $1 billion in emergency transitional assistance to the new safety net system. However, none of this money has been paid yet.

The situation is desperate this fall because the government has not provided the cash it promised last winter and still only gives vague promises about help this winter. It is another smoke and mirrors show, just like the Minister of Agriculture's visit to the Rosetown rally yesterday. He slipped in the back door and sneaked out the side door. He did not speak to the farmers and practically no one even knew he was in the arena. Then he announced on television last night that there would be no new help for Canadian farmers, farmers losing their farms, homes and livelihood.

I call on the government to stop this smoke and mirrors show, to stop the stonewalling and to provide the emergency assistance it promised last winter.

* * *

[*Translation*]

GUN CONTROL

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my statement is about the House of Commons legislative committee on Bill C-17 concerning gun control. The Conservative Whip has appointed himself to this committee. That is very unusual! On top of that, he has used his power to appoint other members who, like

him, want to weaken the proposed legislation. He has hijacked the committee.

[*English*]

Mr. Speaker, the Conservative Whip has hijacked the gun committee. The minister is going to lose her bill on arms control at a time when a majority of Canadians want effective gun control. The minister and the Prime Minister had better wake up and crack the whip on the Whip.

* * *

[*Translation*]

PEOPLE OF HAITI

Ms. Nicole Roy-Arcelin (Ahuntsic): Mr. Speaker, on February 7, 1991, the people of Haiti celebrated cheerfully as father Jean-Bertrand Aristide was elected president with 70 per cent of popular votes. With him a duly elected government was finally in place, following a series of dictatorial regimes, which would lead Haiti toward democracy. Seven months have gone by, during which the people of Haiti have had a taste of freedom and social justice. Now, Mr. Speaker, soldiers have broken the constitutional order by instigating a coup to overthrow the first duly elected government of that country since 1804.

As a friend of the Haitian people, I object most strongly to this coup which is likely to throw the country in complete chaos. I congratulate my government for having vigorously condemned from the very beginning this putsch which will bring nothing but tears to this noble and courageous people.

* * *

INTERNATIONAL SENIORS DAY

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, the United Nations General Assembly has designated October 1 as the International Seniors Day. It is an opportunity for the people of Canada and other nations all over the world to reflect on the actual and potential contributions of elders to their society. It also creates an awareness of an obvious demographic phenomenon, that is population ageing.

By appointing a Minister of State for Seniors in 1987 and implementing in 1988 a strategy for seniors, this government clearly showed its commitment to the needs and concerns of seniors in Canada.

[*English*]

I would wish, Mr. Speaker, that all my colleagues in the House would join me in wishing our senior citizens a very happy day.

* * *

UNEMPLOYMENT

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, last week the Conference Board of Canada forecast unemployment across Canada will remain above 10 per cent for the rest of 1991 and for the next year as well. Jobs are going to be hard to find over the coming year says the board.

In my province of Prince Edward Island, where unemployment is closer to 16 per cent, for some people it is impossible to find a job. Their future is bleak. There are small businesses which cannot make their bank payments. There are farmers who face bankruptcy. In fact, Statistics Canada recently reported a 14 per cent increase in bankruptcies in Atlantic Canada in August. The reason is this government's economic policies. High interest rates, high taxes, a high dollar are combining to make 1991 one of the worst years on record for Islanders.

I call on the government to bring in some economic policies that will produce some much needed prosperity. Atlantic Canadians are waiting.

* * *

RIGHTS OF THE CHILD

Mr. Jim Karpoff (Surrey North): Mr. Speaker, at the request of the Vancouver School Board, the B.C. ombudsman has begun an investigation into whether the rights of children, particularly the right to an education, are being denied because they are hungry.

School boards in Vancouver, Victoria, Burnaby and Surrey are being forced to feed hungry children, without the promised assistance from the provincial government of British Columbia.

The request for an investigation cites several articles from the UN Convention on the Rights of the Child, including Article 27.1 which states that it is the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development.

The time has long since passed for the federal government to ratify the UN Convention on the Rights of the Child and to take steps to ensure that no child in Canada is denied an education because of hunger.

* * *

[*Translation*]

PUBLIC SERVICE

Mr. Vincent Della Noce (Laval–Est): Mr. Speaker, I intended to make a statement on Canadian unity today, but after what I said in the House last night about the Public Service strike, my riding office was besieged by more than 200 strikers who came to criticize my speech and demand the right to free bargaining and an independent mediator.

The government showed it was willing to reach an agreement last week when it improved its offer to the union. Unfortunately, the union left the bargaining table without bothering to respond. It preferred to respond by going back on strike, by preventing this country's essential services from functioning properly, by blockading bridges like they did this morning, and by preventing workers from going to work. The union is not getting the sympathy of Canadians.

What I have to say to all public servants in my riding in Laval–Est and across the country is this: Let's be realistic; the measures the government announced are not a personal attack on you as union members, because you deserve far better. The purpose of these measures is to ensure that all Canadians take part in a wage restraint program that will bring greater prosperity to this country.

Mr. Speaker, I am against violence, and I will never give in to intimidation and blackmail.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to direct my question to the Minister of Finance.

The governor of the Bank of Canada, John Crow, turned down the proposal of this government to permit consultation and participation of the regions in setting monetary policies. It is almost unprecedented, Mr. Speaker.

I want to ask the Minister of Finance: who speaks for the government? Who speaks for the constitutional proposition that the Minister of Finance is trying to sell to Canadians, that is turned down by the governor of the bank. Who is the boss?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): That conclusion, Mr. Speaker, is absolutely false. I invite the hon. member to read the speech made by the governor of the Bank of Canada and he will find that he has said precisely the opposite.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, we on this side of the House think the Governor of the Bank of Canada would do well to forget about the Constitution and concentrate on monetary policy.

Today, the Canadian dollar reached its highest level in 13 years, at a time when all economists and all production sectors in Canada want a more competitive dollar to increase our exports and create jobs in this country. When will the Minister of Finance ask the Governor of the Bank of Canada to do what all provincial Premiers, economists, and members of this House want him to do, which is to lower the value of the dollar and lower interest rates so there will be jobs for Canadians today?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, so as to make it absolutely clear let me quote from the governor's speech, which was delivered earlier today:

> As the federal government's proposals make clear, there can only be a single monetary policy for Canada based on the economic picture over–all, that is to say, based on the sum of the regional situations.

We agree with that. The governor of the Bank of Canada obviously agrees with that because it is the only sensible way to proceed.

In so far as his talk about interest rates is concerned, I remind the House that interest rates have come down by 5.5 percentage points. They are continuing to come down and as long as we can contain the pressures of inflation, we have an expectation that they will continue to come down. It is sustainable growth with price stability. That is

our goal, that is our objective and it is quite clear that we are on track in terms of achieving both.

* * *

• (1420)

AGRICULTURE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, yesterday in Rosetown, Saskatchewan, 3,000 farmers, victims of the high dollar policy of this government, were asking for help. The Minister of Agriculture said a flat no, no emergency assistance for them at all at this moment.

Since 1986, the time that the Minister of Finance was Minister of Agriculture, in Saskatchewan alone two families leave the farm for good every day of the week. I want to know from the minister what the government intends to do. These people want to stay on the farm. They want to be productive. They want to contribute to the wealth of the country, and the government does not want to help them this time, this year when they need money.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I say to the hon. member that I was in Rosetown yesterday, along with my colleagues from this side of the House and along with colleagues from the other side of the House.

I think the hon. member for Winnipeg South Centre would have been welcomed there. I think what my hon. colleague across the aisle should understand is that since 1984 this government has increased three times the assistance to grains and oilseeds by the administration that he was part of. He knows very well, as do members on the other side, that the problem today is the stupidity of a price war between the European community and the United States. This government has taken steps in the past to protect farmers, to maintain farmers' integrity, and we continue to do that.

There has been no Prime Minister in the country at any time who has paid more attention or contributed more to stability, and this government will continue to do it.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the same minister who does not appear to appreciate the frustration felt by farmers. His stonewalling on this issue of emergency assistance adds to that frustration.

The government's own committee on third line of defence feels frustrated and has urged the government to deal with the shortfall on the last crop year.

When will the government honour its commitment to farmers and provide the emergency assistance they so badly need?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, as the hon. member knows—and I must say he was missed at Rosetown—this government put forward some $400 million last year, in 1990. It put forward some $650 million additional in the FSAM program this year.

However, I draw to the hon. member's attention that he is talking about the shortfall in 1991. I think if he reads the conclusion put forward by Prairie Pools Incorporated, he will see that this crisis has been caused not by Canadian farmers but by the unfair trading actions of the United States and the European community. The real solution to the problem lies with a GATT agreement, which will restore some order to the international market. That is not going to happen in the short term. We know that, and that is why we have been supporting farmers since 1984 and will continue to do so.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, we missed the minister in Miami and in Brandon as well.

I have a question for the same minister. The Minister of State for Grains and Oilseeds has suggested that farmers dump their wheat at BMW dealerships in protest against what the Europeans are doing.

By the same token, why do they not do the same thing at Ford dealership or Cadillac dealership? The Americans are perhaps doing even worse to our farmers than what the Europeans have done.

Why is the minister not addressing this particular issue? The Americans are hurting our farmers.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, what I have said in response to farmers expressing frustration and wanting to do something with their wheat or their corn, if they want to put something some place, to dump a load of wheat in front of a Mercedes dealer or a BMW dealer or whatever, the cars sitting in that lot come into Canada at a 9.2 per cent tariff and this week enter the European community,

which is also a very high quality product, at tariffs of up to 200 per cent.

That is what we are trying to express. It is just what the Minister of Agriculture said. This is a very vicious trade war.

The Americans are behaving in a very unfriendly way to Canadian farmers and are causing problems as well.

Mr. Harvey (Edmonton East): Take them on, Charlie.

Mr. Mayer: We will take them on. We have said some things about the Americans that have been just as confrontational as we have been with the Europeans.

* * *

PAY EQUITY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

The Public Service strike is continuing. The anger and sense of despair at the lack of respect this government has shown its own workers are mounting.

During the 1984 election the Prime Minister made a personal commitment to the women of Canada on pay equity. He reiterated that commitment in 1988. Pay equity has been the law in Canada since 1977.

I want to ask the Prime Minister why he does not show the good faith of his government, keep his commitment to the women of Canada and enact the legislation now on pay equity.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I am very pleased to respond to the hon. member because indeed it is this government that has implemented pay equity, the largest pay equity settlement that has ever been made, $370 million.

If we take the example of a secretary, over the past few years as a result of that pay equity settlement she has received an additional $7,000. This year, in addition to her salary, she will receive another $1,289 and, if she still is earning less than $27,000, she will receive another $500.

This government is without comparison in terms of our commitment and our action on pay equity.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary is to the Prime Minister. It is clear that the government and the Prime Minister do not respect the commitment made to Canadian women, because the Human Rights Commission has said that the government's action on this problem are inadequate. Therefore, I ask the Prime Minister again: Why does the government not just implement the legislation now?

[*English*]

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, let me again say to the hon. member that indeed this government has implemented pay equity legislation.

There are 73,400 government employees who are benefitting from that pay legislation, and $81 million will be paid out this year in pay equity payments, primarily to women in the Public Service.

We will continue to work on pay equity legislation, but to the average employee, the clerk or the secretary who has benefitted from pay equity, I think we have shown that commitment and we will continue to show that commitment.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister.

The pay equity settlement by the government has been inadequate. The conciliation board has said that. The Human Rights Commission has said that and I am sure the Minister responsible for the Status of Women is truly aware of that as well.

It could take up to a week, since the back-to-work legislation goes to the Senate, before this dispute will be settled. In the interest of the people of Canada, in the interest of showing respect for the workers of this government, I want to say to the Prime Minister that rather than bring in the riot troops, rather than bring in helicopters, rather than bring in newspaper ads, why does the Prime Minister not—

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I think I can explain very easily why we do not think mediation would lead us anywhere.

I said earlier that we had tried to make offers on Thursday. They had been rejected and in our view the union had acted in bad faith by going to television instead of answering our request.

The hon. member leads us to believe that members of the Public Service are frustrated and therefore react on the spot in a way which is worrying. I will tell her that there is much more to that.

I have in my hand a strategy document of PSAC, directed to the strike and picket captains, which states what happened today: "Delay buses as long as possible. Please note. This is an illegal activity and will provoke police activity. Try to get the drivers' co-operation", and it goes on and on.

• (1430)

She is worried about the lower paid people, the women. It continues: "Use same segregation techniques. Get the names of everybody". Furthermore it says: "non-designated alliance members will not—"

Mr. Speaker: The hon. member for Winnipeg South Centre.

* * *

[*Translation*]

EXTERNAL AFFAIRS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is to the Minister of External Affairs. Canadians support the government's condemnation of the coup in Haiti, but we are concerned about the violence in the capital. More than 130 people have already died in that country. What measures will the government take to ensure the safety of the thousands of Canadians in that country? Will he ask the international community to intervene in order to restore democracy in Haiti?

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I believe that the Canadian people, the government and all the members of this House were shocked and disappointed for the Haitian people who are once again the victims of a coup. We reacted very firmly. Yesterday, my colleague, the Secretary of State, told our permanent representative at the OAS to consider with the permanent committee the possibility of OAS members taking action to help the people of Haiti. As well, a message was sent to the Secretary General of the United Nations, through our ambassador, asking him to see what measures could be taken by the UN to support the Haitian people.

As for me, this morning I announced, as a strong measure of protest, the cancellation of any bilateral aid plan being discussed with the government of Haiti. However, we are going to continue to support the Haitian people in their search for democracy, taking into account all the obstacles they must face in this regard.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, as I said, we support the position taken by the government as regards to the coup.

[*English*]

I have a question for the Prime Minister. In his speech at Stanford he said that the time has come in which the advancement and promotion of human rights must overtake considerations of national sovereignty.

In that case, should Canada now be asking the Security Council of the United Nations or the governing council of the OAS for direct intervention into Haiti to protect human rights and to restore democracy?

We are not asking for just a cancellation today, but direct intervention on the principle that the Prime Minister announced on Sunday.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as the minister has just indicated, the illegal and undemocratic action taken in Haiti is one that the government, and I am sure Parliament of Canada, views not only with alarm but with horror. Once again the people of Haiti have been deprived of their fundamental human rights. The minister, in consequence, has announced our intention to sever all relations in terms of aid with Haiti.

Last night I received a call from President Carlos Andrés Perez of Venezuela with whom we were in touch in respect of arranging for the removal of President Aristide from Haiti. We also discussed the possibility of some of the matters raised by my hon. friend.

In this hemisphere where democracy has flourished in a remarkable way particularly over the last 10 or 15 years, it has become completely unacceptable that the island of

Haiti remains an island of repression, violence and human degradation.

Canada, working through the OAS and the United Nations, has brought this to the attention of both last night and this morning. We will be asking all members of the House to support the government in an initiative to ensure the liberation of Haiti and the restoration of the duly elected, democratically elected president of the Republic of Haiti.

* * *

[*Translation*]

PUBLIC SERVICE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the President of the Treasury Board.

The minister was quick to do an about-face and promised that the government's well-placed friends who earn hundreds of thousands of dollars a year would not receive an extravagant $80,000 bonus. Since the minister refused to include these bonuses in his wage-freeze bill yesterday, when will he present some document in which he keeps his promises not to give gifts to the government's highly paid friends?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I have quite clearly said several times in this House in recent days that the government had made a decision in the Budget that everyone would get no increase for a year: no increase in pay and no bonuses for all those who are entitled to them.

The problem of putting such things in legislation is that we have a whole series of bonuses provided for by law. For example, the bilingual bonus—we do not want to touch that. There are bonuses for officers on ships and shift premiums.

So we preferred to make a solemn commitment and will follow it up with an order in council: no salary increase for employees, managers, the Prime Minister, heads of corporations and others, and no performance bonus is to be given this year.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question on this matter of national interest is addressed to the Prime Minister.

Canadians are proud of our history of settling issues calmly and reasonably, not by confrontation, and today is the last chance for the government to show responsible leadership and settle its disputes with the Public Service the Canadian way.

Will the Prime Minister please explain why even now his government refuses to take the chance that a clear, impartial, mediator can bring a reasonable settlement to this dispute?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, if I did not have enough good reasons yesterday, I have very good reasons today.

A little while back I quoted from a document on PSAC's strategy. It said, for example, that non-designated alliance members will not be allowed to cross until police intervene, and by trying to stop non-designated workers they have the opportunity to try to convince them of the wisdom of joining the union picket. What is the reason? To try to motivate politicians to move to mediation while they are still on strike. I will not give in to illegality.

Some hon. members: Hear, hear.

* * *

PAY EQUITY

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it would be nice to see a mediator brought forward before the government bends rules in contempt of law. Having said that, my question is for the minister responsible for the status of women.

Pay equity is an important issue, central to the Public Service Alliance dispute. Today there are 11 women in the office of the minister responsible for the status of women. These women are waiting for the minister because they want to have a discussion with her to explain why pay equity is so important to women in the public sector.

Will the minister meet with these women after Question Period and will she take their concerns to the cabinet?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I was really quite shocked this morning when I heard that my office at the status of women had been forcibly entered and my staff harassed. That is not the way to deal with these issues. When people are on

strike they are allowed to picket legally, but not take the actions taken by those women.

Some hon. members: Hear, hear.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it has been said that the position of the minister is that it is not her job to meet with delegations. It would seem to me that the minister's office is a public place and that these women have gone to seek a meeting.

Does the minister not believe it is her job to meet with women who bring her concerns as serious as pay equity and then in fact carry those concerns to her government?

• (1440)

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I find this quite astonishing. I meet with delegations of women and women's groups across this country day after day. But I will not meet with women who enter my office forcibly, harass my staff and undermine what I think is the appropriate—

Some hon. members: Hear, hear.

* * *

TRUCKING INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Transport. Canadian truckers cannot continue to live on empty promises, endless meetings and continued studies as they have for close to two years.

Now that the minister has broken yet another promise, namely to provide an assistance package for truckers by the end of September, when will the government finally provide the necessary federal assistance package for our Canadian industry? Or is the government merely involved in a fruitless public relations exercise again?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member knows that we have made good on our commitment to the task force members. We have met with them on a number of occasions. They have developed with us an assistance package. We took these initiatives to a meeting a couple of weeks ago with the ministers of transportation from the provinces.

Everyone understands that the major portion of the trucking problems do not rest with the Government of Canada, but rests in the provincial legislatures. The tax on fuel is enormous and the action will have to be taken in the legislatures of the provinces.

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary is for the same minister. Since the federal government deregulated the industry on January 1, 1988, thus giving free licence to the American trucks, over 1,400 Canadian trucking companies have gone bankrupt.

Rather than always casting the blame on the provinces and only looking at the price of fuel, which is only one factor, why will this government not modify and reform its own exclusive federal regulations which impact on trucking and therefore provide a national solution to what clearly is a national industry in need of support?

[*Translation*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the vast majority of transborder activity in the trucking industry is still in the hands of Canadian carriers. In fact, the Canadian transportation industry controls 60 per cent of transborder traffic. Furthermore, Mr. Speaker, I think the hon. member should tell Canadians that introducing the GST has benefitted the trucking industry to the tune of $400 million per year and will continue to do so during the next ten years. I believe the measures we have taken have helped the trucking industry considerably, and we will continue to co-operate with this sector.

[*English*]

Mr. Speaker: The hon. member for York South—Weston.

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DISASTERS

Mr. John Nunziata (York South—Weston): Mr. Speaker, over six years ago 280 Canadians were murdered in the Air-India disaster. It was the most hideous crime ever in Canadian history.

We on this side of the House have repeatedly called for a full public inquiry into this mass murder. I call on the Solicitor General again to order a full public royal commission of inquiry to investigate all aspects of that particular disaster, including the role of the Canadian

Security Intelligence Service, the RCMP, officials at Transport Canada and ministers of the cabinet?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, the government has been making every effort to get to the bottom of this very serious tragedy and all members of the House know that it was a tragedy.

My hon. friend will know that as late as this summer the RCMP contracted with a deep-sea diving vessel in an effort to retrieve materials from the hull of the airplane in an effort to find sufficient evidence to bring people to court. That investigation is ongoing and I do not want to be in a position at any time to disrupt what we are all hopeful will be a successful investigation.

Mr. John Nunziata (York South—Weston): Mr. Speaker, is it any wonder that Canadians are fast losing respect for the criminal justice system?

Reports indicate that on Friday the Security Intelligence Review Committee will announce an internal secret investigation into the Air-India disaster. Why has the minister agreed to an internal investigation by the Security Intelligence Review Committee rather than a full public inquiry so that Canadians can understand what happened exactly? What is he trying to cover up?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, any allegation of a cover up is utterly groundless. My hon. friend knows that the SIRC committee contains representatives of all three political parties, members of the Privy Council who are an overview committee of SIRC. They are bringing down a report this week and I am not in a position to comment on what may or may not be in it. I would just assure my hon. friend that we are taking, as a government, on behalf of the Canadian people, every possible step to bring those people to justice.

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AGRICULTURE

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, my question is for the Minister of Finance, since he holds the purse strings.

The minister will know from his colleagues who were present that the several thousand farmers who met in Rosetown, Saskatchewan yesterday did so to bring to the attention of the Canadian government and the Canadian people that they have a disastrous situation. Their immediate problem is the shortfall of income in 1990-91. It does not help to have the Minister of Agriculture tell them why the shortfall is in place without providing them any relief.

The Ontario government has just announced a $35.5 million assistance package. Will this government keep its promise for third line of defence funding over and above interim NISA and GRIP payments?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I know the hon. member from his constituency and from his activities representing that constituency understands full well that in the summer of 1990 the government put forward over $400 million to assist the grains and oilseeds industry. He knows that the government announced early this spring that the farm support and adjustment measures were almost $650 million.

He also knows, Mr. Speaker, that the third line of defence representing all segments of the industry, which met last month and is meeting again this month, have identified that the support given by this government was equal to the support they would have received had the GRIP and NISA programs been in place. That was a commitment of the government, that we help bridge them from 1990-91 to 1991-92.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Yesterday the farmers were asking for money above those commitments and they need it.

Statistics show that for farm families, off-farm income has been higher than income from the sale of products and from government assistance. Is it this government's policy to make sure that agriculture in the next few years becomes a part-time occupation which requires that kind of off-farm income to survive?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I am not sure where the hon. member gathered his information. I have heard that said before. It is not accurate. It is recognized that there is a difficulty in the agriculture sector, in the grains and oilseeds sector and that producers are seeking other ways of supporting themselves during this difficult time. But it is also—

If the member from the New Democratic Party wants to talk to his colleague he can do it after I have finished. What he can do is join with the government, and the producers in recognizing why this hurt is there; because of the stupidity of an international trade war led by the

European community. He can join with us to take action to stop that, join with the—

Mr. Speaker: The hon. member for Cumberland—Colchester.

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FORESTRY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Forestry.

A stable forestry industry and many jobs in Nova Scotia depend on a federal-provincial co-operation agreement which seems to continue to escape us. I wonder if the minister can tell Nova Scotians when the Nova Scotia industry can expect an agreement in place to provide that long-range stability.

• (1450)

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, I want to thank my hon. friend from Cumberland—Colchester for his valuable counsel and advice. I can tell him that the agreement which was negotiated in two phases is agreed to in principle. It is designed to produce the stability and the sustainability of forest products in the province.

I hope the agreement can be signed within the next couple of weeks or so.

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THE ECONOMY

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is for the Minister of Finance.

Another 220 jobs will be lost in the Yarmouth area when Rio Algom closes its tin mine. The president of Rio Algom Limited, stated in a letter to me on Friday, that: the closure was due to "the ongoing problems of the international tin market and a strong Canadian dollar".

When will the Minister of Finance abandon this government's high interest rate, high dollar policy to enable our primary industries to export their products and survive?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member refers to the high interest policy.

I remind the hon. member that interest rates have come down by 5.5 percentage points and are continuing the trend downward. As long as we can contain inflationary pressures, I think there is a good chance that can occur. There are signs that the economy is recovering. We have had a good period of growth in the second quarter. It is somewhat stable and levelling off in the third and fourth quarters. We have laid the groundwork for what I believe will be a sustainable recovery with price stability. That is our goal and objective and I think we are well on the road to achieving that.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my supplementary is for the same minister. What is the federal government doing to provide future employment for the 220 skilled workers who are about to be laid off, along with the 330 skilled workers already laid off by the closure of Dominion Textiles, and the fact that our forestry workers are not working, and our fishery is not working. All primary industries in the Yarmouth area are affected by the high Canadian dollar. When is the minister going to do something?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the value of the dollar is established in the marketplace. The hon. member knows that.

The government does not have a target for the value of the dollar, nor does the government have a range for the value of that dollar. Much of it is related to the extensive borrowings being made by the provinces. We should take pride in the fact that Canada is a very safe place in which to invest. Dollars, both from the Asian and the Euro markets are flowing into Canada in an unprecedented way. That is providing upward pressure on the dollar.

At the same time, there are signs that growth is going to be sustained, and as long as we can have sustainable growth with price stability we will have durable jobs.

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ARMS CONTROL

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Considering the substantial reduction in nuclear weapons and missiles announced unilaterally by the President of the United States on Friday, and we congratulate the President for this initiative, will the government now show similar leadership by announcing the cessation of cruise missile testing in Canada. Has the minister discussed this with her allies?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, both the Prime Minister and I have strongly supported President Bush's initiative publicly. I have not discussed cruise missile testing with my colleagues, but we have been discussing, in this government, and publicly, arms control all over the world. Indeed the Prime Minister was the first world leader last February to call for very strong measures concerning arms control, both in terms of nuclear proliferation and conventional weapons. We are pursuing this on a number of fronts and will continue to do so.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, that is not a satisfactory answer. Continued cruise missile testing is out of sync with the new realities in the world.

Considering the breakdown of central authority in the Soviet Union and the fact that their 18,000 nuclear weapons are based in four republics, what is the government doing with its allies to assure that these nuclear weapons do not fall into the wrong hands or are used irresponsibly? What steps are being taken to deal with this very important risk?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, Canada has taken a very active role, both with the Group of Seven countries and also through the CSCE, through direct discussions with the prime ministers and the heads of some republics, as well as at the centre. This is clearly a matter of grave concern and interest to the international community and to Canada specifically. We will continue to pursue this through every channel available.

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[*Translation*]

EXTERNAL AFFAIRS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, last February, Canadians applauded the inauguration of the democratic government of Jean-Bertrand Aristide. After the violent coup in Haiti, can the Minister for External Affairs give us the assurance that our government will not recognize a government that is responsible for this reign of terror in Haiti, that it will ignore that government at all international forums and will impose economic sanctions against the followers of Duvalier who shoot children and people in the streets?

Will she take a clearcut position against this dictatorship?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, considering the importance of the issues raised by the hon. member, I can inform him that we do indeed intend to take that kind of action.

We have no intention of recognizing a gang of hoodlums who have taken control of Haiti by removing a democratically elected president and government. We will do everything in our power to ensure that democracy is restored in Haiti and President Aristide is reinstated in his democratic functions in Port-au-Prince.

[*English*]

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. First of all, I wish to congratulate the minister and his government for having stayed removals of rejected refugees to Haiti, all except one, for about two years. But I understand that very recently that practice was reconsidered and may be slated for discontinuation.

Therefore, in view of the recent coup in Haiti, I wish to ask the minister if he will assure this House that the government will not proceed with removals to Haiti until democracy has been restored there?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Yes, Mr. Speaker, I can give that assurance to the House, that the government will not proceed with removal or deportation of anyone to Haiti under the present circumstances.

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FISHERIES

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans. During the past summer the sharing of the Atlantic salmon resource in New Brunswick and elsewhere has caused considerable tension and conflict among all of the users of it; anglers, commercial fishermen and native Indians, particularly in the context of the Sparrow decision from the Supreme Court last year.

Obviously conservation is the first concern. For example, there is a serious call for the elimination of gill netting as a practice under any circumstances.

My question for the minister is this. Your department has initiated a process of consultation and communication among all the user groups to establish a new vision for salmon in New Brunswick. How is that process going? Has a consultative conference been considered? If so, when will that conference be held?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, this summer there was considerable tension in the Atlantic salmon fishery in New Brunswick as a result of competition among user groups and as a result of the Sparrow decision concerning native food fishing activities. My officials, including the deputy minister, met with the involved parties and will continue to meet with them to resolve their grievances. I think they have all showed a great interest in pursuing a proper compromise that will look after the rights of all users.

The hon. member has been most helpful in all those discussions and his—

Mr. Speaker: You will appreciate that it is time to move on. The hon. member for Don Valley North.

* * *

• (1500)

PENSIONS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, my question is for the Minister of National Health and Welfare.

At the Progressive Conservative convention in August a resolution was endorsed by 77 per cent of delegates asking the government to attain indexed linked pensions for British pensioners living in Canada. What actions will the minister be taking to ensure that British pensioners living in Canada get justice?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I appreciate the question from the member.

Since 1984 the Government of Canada has tried many times to persuade the United Kingdom government to index pensions for the over 100,000 U.K. pensioners living in Canada. So far the government of the U.K. has said that it is not possible for them to index those pensions.

I can assure the member that we will continue to make all possible efforts to persuade the government of the U.K. because I believe she is right and that the position should be recognized by the Government of the United Kingdom.

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[*Translation*]

AGRICULTURAL ZONING

Mr. Louis Plamondon (Richelieu): Mr. Speaker, my question is to the Minister of State for Agriculture. In the constitutional offers tabled last Tuesday, the inclusion of the right to property in the Constitution generated a lot of questions in the Quebec farming community, particularly as regards its implication for the agricultural zoning act. Can the minister tell us today if, before praising this offer, he had studies done on the implications of this right to property on agricultural zoning in Quebec and, if so, can he make them public?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, when the government tabled its offers that will be discussed in the coming months by the Castonguay Committee, the federal government never intended, and it still does not intend, to intervene in that sector or to abolish the marketing boards, as some people claimed last week. This was never our intention. Moreover, Mr. Speaker, the marketing boards are governed by both federal and provincial legislation, and in the past few years, the provinces have exercised their jurisdiction and rightly so. Mr. Speaker, I must say that in this case, the federal government has absolutely no intention of intervening in marketing boards or agricultural zoning. Those who suggest such things are trying to scare people.

[*English*]

Mr. Speaker: I recognize that the hon. member for Fredericton—York—Sunbury is rising on a point of order. I will come to him in a few minutes but there are some matters which will have to take precedence over that.

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PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Madhav Sinh Solanki, Minister of External Affairs of the Republic of India.

Some hon. members: Hear, hear.

* * *

THE LATE JEAN BEETZ

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to express my regret at the loss of one of Canada's most respected public figures, former Supreme Court of Canada Judge Jean Beetz, who died yesterday.

Born in Montreal in 1927, the Hon. Jean Beetz had a long and distinguished career in both the academic and legal worlds. He was for many years a Professor of Law at the University of Montreal where he became dean of the faculty. His expertise in constitutional law led to his appointment as Special Counsel to the Prime Minister for Constitutional Affairs, a position he held from 1968 to 1971. In this capacity he was a key player in the constitutional negotiations of those years.

[*Translation*]

His appointment as judge of the Quebec Court of Appeal was soon followed by his appointment to the Supreme Court of Canada in 1974. In the 14 years that followed, he wrote landmark judgments that reflected his profound knowledge and experience of civil and constitutional law.

[*English*]

He was known and admired not only for the acumen of his judgments, but for his courteous and gentlemanly bearing. Throughout his years on the court he remained accessible and ever-ready to share with his legal and judicial colleagues, young and old, his vast fund of learning. Those who knew him will readily acknowledge his many kindnesses.

His loss will be felt deeply, not only by the legal profession but, indeed, by all Canadians.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to join the Minister of Justice in saying how sad we are to learn that Judge Jean Beetz has left us.

As the Minister was saying, Judge Beetz was a learned person, a university professor of the highest calibre, a superb dean who was able to attract very competent teachers at the Faculty of law of Montreal. When he was appointed at the *Cour d'appel du Québec* and at the Supreme Court of Canada, he became a judge of very high integrity and very good judgment who always tried to understand not only the law but also the workings of the Canadian society.

As the Hon. Minister said, he was the perfect gentleman. All those who have had the pleasure to meet him know that Judge Jean Beetz was a model for all of us. He was a very courteous and polite man with whom one could discuss without having to raise his voice. He always demonstrated a solid judgment as well as a vast knowledge of the constitutional and judicial issues of the country.

This House extends its deepest sympathies to his family. The legal community, as well as the country as a whole, have lost a great servant.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, on behalf of the New Democratic Party, I also want to pay tribute to this great judge.

Judge Beetz was a man of the future. He always treated the lawyers that pleaded before him with respect and dignity.

[*English*]

In many respects he was a man ahead of his time. He was very impartial and very fair. He treated the lawyers, as I said, and the people who appeared before him with great respect. He had much time for people.

We would like to extend our condolences to his family.

[*Translation*]

Mr. Speaker, Judge Beetz was a great Quebecer and a great Canadian.

Hon. Jean Lapierre (Shefford): Mr. Speaker, all the members of the legal community as well as myself, when I was a law student, have had the opportunity to read the progressive judgments of Judge Beetz. We all know

about his profound interest for civil law, as well as his vast knowledge.

I believe that not only the legal community but also the province of Quebec and all of Canada must mourn his passing.

* * *

[*English*]

PRIVILEGE

FIFTH ANNIVERSARY OF ELECTION OF SPEAKER

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise on a question of privilege affecting the rights of all members of Parliament.

Today, October 1, 1991, marks the fifth anniversary of the election of the hon. member for Vancouver South as Speaker of this House.

Some hon. members: Hear, hear.

Mr. Dingwall: Mr. Speaker, we cast our memories back to that day. We can recall indeed a very long day. While you were elected during the sitting of September 30, 1986, this election took 13 ballots.

Thirteen is not such an unlucky number after all. In fact you were proclaimed elected at 1.30 in the morning of October 1. That was indeed a remarkable occasion. It is the first time that this House ever elected its Speaker by secret ballot. What was more notable was the meaning of this election to you as an individual.

A little more than a year earlier you had suffered a cruel political setback. You had the courage and strength of character to look misfortune in the eye. As it happened, misfortune blinked.

In the judgment of your peers, you were found to be the one whose integrity and fortitude they considered so impeccable that they chose you as the impartial adjudicator of their proceedings and the prime protector of their rights.

Five years as Speaker is a very long time. Of the 32 Speakers since Confederation you are only the seventh to serve that long. By the end of this coming January you will be the fourth longest serving Speaker of this House.

• (1510)

Mr. Speaker, there must have been times in the last five years that you wondered what you were doing in the Chair. It is a tribute, Sir, perhaps to your even-handedness, that from time to time some of the rest of us have wondered the same thing.

That of course, Mr. Speaker, is the whole point. It falls upon you to attempt to moderate a process that by its very nature must at times become extremely immoderate. You are not a judge or a magistrate; you are merely one of our peers. It is from that fact, however, that you derive your authority. You are the one in whom 294 of your colleagues have placed their trust. This is a trust that has to be renewed, not just at the beginning of a Parliament but each and every day.

Today is the 1,827th day on which that trust has been renewed and I hope there will be many more to come. The late Lester B. Pearson, in nominating a former Speaker, described his qualities in the words of Socrates, and I quote: "To hear courteously, to answer wisely, to consider soberly and to decide impartially".

For five years, Mr. Speaker, this House has benefitted from your meeting this criteria. We look forward to many more years.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the government House leader will speak on behalf of the government. I just wanted to apologize to you for leaving the House momentarily. I thought the opposition House leader was rising in a tribute to me. Given my modesty, I wanted to be out of the House while he spoke.

As I turn the floor over to the distinguished government House leader for a more appropriate tribute, I just want to add that in the experience of people who have sat in this House much longer than me, the present Speaker of the House will rank with the greatest in the history of Canada. He is a man of uncommon distinction, a man who brings warmth, good nature, and a sense of fairness and decency to the Chair. As one of our peers, I can only say on behalf of I am sure all members of the House, Mr. Speaker, that we are deeply honoured to be in your company.

[*Translation*]

The House of Commons has been honoured by having you as Speaker and I know that I can say, on behalf of all Canadians, but particularly on behalf of all members of

this House, that we have been honoured to serve under the Hon. John Fraser.

Some hon. members: Hear, hear.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I certainly want to associate myself, and my colleagues, with the remarks of the House leader of the Liberal Party, and of course the remarks of the Prime Minister.

I think people watching on television see the black robes and the dignified costume and assume it is a very easy position to occupy. It looks rather comfortable. One has to appreciate, as John Diefenbaker said, that this is the only insane asylum in the country in control of the inmates. Sort of being the head inmate, it is not always the easiest task.

Mr. Speaker, I think in a month's time you and I will have served the people of Canada as elected members of Parliament for 19 years. I saw a picture of our first class recently and I am not sure which of us has aged more. I wonder if our respective wives knew what they had coming.

In any case, I want again to congratulate you on these five years of outstanding service. The election of the Speaker, that was referred to, was a new outcome of parliamentary reforms introduced by the McGrath commission. It was a reform that I have not heard suggested by anybody that was anything else but outstandingly successful, and to that fact that we view that reform with such success is a tribute to yourself and we wish you many, many more years before we are having to face another election for Speaker in this House.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, on behalf of my NDP colleagues, I would like to join with the others who have called attention to your anniversary and say that we all share the relief, which we are sure you must share, that the fate of Speakers in the past, the fate of beheading, which explains the traditional reluctance Speakers are supposed to show upon election to the Chair, has not befallen you.

An hon. member: Not yet.

Mr. Blaikie: We hope that indeed this is a fate you may continue to escape until you leave the Chair.

We note also that your election to the speakership of the Commons was a great moment in the life of Parliament, because it was the first time that Parliament had elected its own Speaker, a departure from the tradition in which there was a *pro forma* arrangement by which the government's appointee became the Speaker of the House of Commons. This was as a result of the McGrath reforms and it was a moment that I hope will be seen as a watershed in which the House of Commons began to take more control over its own life, away from cabinet, away from the Prime Minister and away from all the other things that have eroded the power of this Chamber and its ability to be the real decison-making process in this country.

I might also add, Mr. Speaker, before all this flattery goes to your head, that one of the other gifts you have brought to the House is the infrequent but nevertheless regular Burns Night. As one of similar heritage, and we are not in that heritage given to flattery, all I can say is that you have not done so bad.

Some hon. members: Hear, hear.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I will be very short and brief. Since the dean of the House is not here and he likes to stand up and speak, and some of you young people have spoken in honour of the Chair and the present holder of the title, no one spoke on behalf of the 17 or 27 others. I know there were at least 17 who were running against you that night that ended at one o'clock five years ago.

I just want to say, Mr. Speaker, from this role of being the dean of the Independents around here, that thank God this one lost that battle, and I think all the others who lost are glad they lost the battle. The Chair went to you and you have distinguished it, in the words of all, that you neither have eyes nor ears to speak unless directed to the House of Commons by all sides and all members of the House of Commons. Keep it up and forget about the Scots.

Some hon. members: Hear, hear.

Mr. Speaker: In all modesty, as much as I can muster, I want to thank all hon. members and the Prime Minister for their very kind comments and their very kind applause that met those comments.

The hon. member for Cape Breton—East Richmond said something about I must look back with some concern over the last five years. I look back with concern over the last five days every day.

My old friend, who is also of the class of 1972, the hon. government House leader, mentioned something about being the head inmate. I only take comfort from the fact that all of the rest of you qualify as inmates.

There has been some talk by my hon. friend from Winnipeg Transcona about the fate of past Speakers and somebody—I do not always hear what is said down there but I heard somebody—vividly said: "Not yet". I take care.

The right hon. Prime Minister was very kind and worked up an excellent reason to come back into the House and be recognized.

I thank the hon. member for Annapolis Valley—Hants for his moving tribute to others who, as he says, may or may not depending on the day have been fortunate not to join me in the chair.

I do come back, though, despite the hon. member for Annapolis Valley—Hants who said to forget the Scots—it is a difficult thing for us Scots to do—to my friend from Winnipeg Transcona. I know what my former colleagues on the government side have said, that when Blaikie's up on Scots who are piping, the Speaker let's him go on all day. I know what the criticisms have been. He quoted Burns and perhaps I can remind us all that there is another quote from Burns that we should keep in mind when we are here:

> Oh wad some power the giftie gie us To see oursels as others see us!

• (1520)

Thank you very much.

There are several points of order. I think the member for York—Simcoe was first on the list, the hon. member for Drummond, and then my friend, the hon. member for Fredericton—York—Sunbury.

* * *

POINTS OF ORDER

TABLING OF DOCUMENT

Mr. John E. Cole (York—Simcoe): Mr. Speaker, during Question Period today, in response to the Leader of the New Democratic Party and to a couple of other questions, the President of the Treasury Board was quoting from a document. I think it would be proper procedure and certainly in the openness of this place and the spirit of this place for the President of the Treasury Board to table that document with the Clerk.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): I am pleased to table the document, Mr. Speaker.

[*Translation*]

MOTION CONDEMNING THE OVERTHROW OF THE GOVERNMENT IN HAITI

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I think you will find there is unanimous consent to introduce the following motion which is seconded by the hon. members from Winnipeg-South-Centre and Burnaby—Kingsway, and which reads:

> That this House condemn the overthrow of the government that has occured in Haiti and call for the immediate restoration of the legitimate government of Haiti as promptly as possible.

[*English*]

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the government would be very pleased to associate itself with the motion of the hon. member.

[*Translation*]

Mr. Duceppe: I believe, Mr. Speaker, that we must also give our consent to this motion. There is a large Haitian community in Montreal. Father Aristide lived there for a while and I think that today we must be solidly behind the Haitian people and demand the return of democracy.

[*English*]

Mr. Speaker: It may be unusual but nonetheless the hon. member has moved a motion and asks for the consent of the House. Is that agreed?

Some hon. members: Agreed.

Motion agreed to.

ANSWER OF MINISTER OF FISHERIES AND OCEANS

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, with respect and with some intimidation after the accolades that have been played to you just recently and are so well deserved, I rise to point out that the response by the Minister of Fisheries and Oceans to my question was not allowed in your wisdom to continue

and I did not get the response that he spoke, if he did in fact get to finish his answer.

On his way out of the Chamber, Mr. Speaker, he did tell me that the conference I had asked him about would indeed be proceeding with respect to Atlantic salmon and I am sure you would be very interested in that, Mr. Speaker.

Mr. Speaker: I had a premonition that I was going to be rebuked by the time the hon. member got on his feet. I was wondering if the nice things that had been said would have limited him in his capacity to carry out his parliamentary functions but obviously they did not.

I have to do the best I can with time. The hon. member, I am sure, understands that. The hon. member has made his point and I am sure will have no difficulty in making the news public.

GOVERNMENT ORDERS

[*English*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C-29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, be read the third time and passed.

The Acting Speaker (Mr. DeBlois): The hon. member for Churchill has 14 minutes left.

Mr. Rod Murphy (Churchill): Mr. Speaker, when I started my speech prior to the noon hour I had talked about the fact that this government has spent millions upon millions of dollars trying to gain political favour with Canadians. This occurs usually just prior to an election, and I gave the example of the member for Lac-Saint-Jean in a by-election where I believe the federal government committed itself to approximately $100 million in that one by-election.

I would like to point out to the people who are listening that the amount that the Prime Minister and this cabinet found in order to try and win that one by-election would have given every person on strike on Canada today a 2 per cent increase in salary.

I also pointed out other examples of how prior to elections, whether it be in Saskatchewan or B.C., or during those elections as well, the federal government has found money. In the six months prior to the 1988 federal election, this government, which was so concerned about restraint that it wanted to cut back the old age pensions and was cutting back other programs that were necessary for post-secondary education and medicare, spent hundreds upon hundreds of millions of dollars which at that time it could afford.

I reject the argument that is made by this government that it is out here to fight the deficit. It has proven time after time after time that when it comes to its own political advantage it will spend the taxpayers' money. However when it comes to those receiving the old age pension, to those receiving family allowances, to those who need to have a post-secondary education, to those who need medical assistance, this government does not have the same considerations.

I was in my own riding last week in a native community called Lac Brochet, a community for which this federal government has responsibility. The school children in that community have been waiting 19 years to have a permanent school built. They do not even have trailers but have makeshift classrooms in a part of the country where the temperature goes to 40 and 50 degrees below zero. Kids are walking outside, going from one class to the next class. That same community was told that they would have to wait another six years before they got a permanent school—in total almost 26 years before a school will be built. The government does not have money for that, but it certainly has money for its political objectives.

Today when I look at this legislation and realize how little it would cost to give these workers a reasonable pay increase, I know that this government is playing politics with the government employees. It could have paid for that increase with the promises it made in the last federal election. As I pointed out earlier, what it spent to buy one by-election would have given each and every employee a 2 per cent increase. The way it has fought against pay equity, the way it has fought against any system of classification of its employees, the way it has refused to have a mediator come in to try and resolve this dispute, the way it has rejected conciliation boards that have called upon this government to negotiate pay equity, the way it rejected negotiating anything until the

Public Service Staff Relations Board's ruling, indicates a government that did not make any serious effort to try and negotiate this settlement.

• (1530)

This was a politically motivated strike and it was motivated by this government.

Earlier in Question Period today, the President of the Treasury Board said that he was not going to appoint a mediator because he was not going to react to the illegal activities of some members of the Public Service Alliance.

The Public Service was asking for a mediator before this strike started. The Public Service was asking for a mediator before the government was found in contempt of its own laws by the Public Service Staff Relations Board.

The Public Service Alliance was asking for a mediator once the government was found guilty by its own quasi-judicial board. This is not a new request but the government has refused to respect the laws of this land and to negotiate fairly.

Others got up earlier and said: "There has got to be a better way of resolving disputes." There are other ways of resolving disputes but the government in its throne speech and the President of the Treasury Board in his speeches in the House in May and June indicated that they would not accept those other routes.

They said: "If there is an arbitration board that comes down and gives the workers too much, we are going to rule it back. If they negotiate a settlement which does not give the workers zero per cent, we are going to legislate that back".

They refused a mediator. They refused to listen to the conciliation board. They refused to use arbitration. They forced this strike on Canadians. It may have been done for political purposes, but it was a stupid move by this government. It was an uncaring move.

I have been on the picket lines talking to some of those people, and not just in the Ottawa region. Just last week I was in Brandon, Manitoba talking to fairly young people who had never been on strike before, people who do not earn a large salary. They have heard what government ministers and government members have said in this House of Commons. They know that they are being treated with not only words of contempt, but contempt in the thoughts and minds of those government members.

They know that they are not given any self-respect. They know that this government has been vehement in its attack on the Public Service, individually and collectively.

Mr. Speaker, you cannot have the President of the Treasury Board and the government House leader attacking workers and expect them to sit and respect this government. You cannot have this government saying that the work that these people do is not necessary and expect those people to respect this government. You cannot have, as I heard today in Question Period when somebody was talking about the farmers—the member for Saskatoon-Humboldt was speaking— Conservative members saying: "Tell that to your friends at the alliance."

The point is that our member was talking about the fact that many, many farmers have had to seek jobs outside of farming in order to keep their farms going.

One of the people I ran into in Brandon was in exactly that situation. He said: "The farmers in my area understand why there is a strike. I need a pay increase to keep the farm going." This government has tried to pit farmers against workers just as it has tried to pit the unemployed against the employed. It has tried to pit one group of Canadians against another group of Canadians. It tried to get the pensioners upset with the postal workers in August.

It is ironic that in a time when this government is calling for a renewed federalism, a new Constitution, when people will work together, listen to each other and try to resolve the problems that this country faces, it has taken the exact opposite approach in this House and in this nation as a whole with regard to its own employees. Yesterday in debate I mentioned that this government has known since Friday that there was another offer coming from the Public Service Alliance. Various members of cabinet received calls. People in the Prime Minister's office received calls, and they were told this offer was there.

The government could have sat down and negotiated. It refused to do so. Instead, we have a Public Service strike in this country growing anger and we have to face the fact that when this legislation passes the House and Senate, as it will, that there is going to be a large number of very angry government workers, not because of the zero and three, although that is certainly upsetting to many of them. What they will be upset about is the

callous, uncaring way that this government continuously attacked them.

This government was not concerned about its employees. This government was not concerned about fairness. This government was not concerned about trying to resolve some of the issues. This government was concerned with its own political agenda and that is obvious to all Canadians.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, Surrey is one of the municipalities that is hard hit because of the government's refusal to negotiate. It has one of the largest tax centres outside of Ottawa, with 1,000 permanent employees and approximately another 1,200 temporary employees. It has a large UIC office. It has an immigration office and also contains the Douglas and Pacific border crossings, which employ hundreds of people, both as immigration officers and customs officers.

At the beginning of the strike I had the opportunity walk the picket lines with the strikers in all of those locations. The first thing that struck me was that the overwhelming majority of them were women. I talked to them about why they were there. They said, first of all, their rates of pay were relatively low. They made $20,000, $23,000 or $24,000. They pointed out that their combined family income would not allow them to buy a house in Surrey.

They pointed out that in the last two years in Surrey, rents have increased on an average of 50 per cent, partially because this government has reneged on its promise to develop social and co-op housing. The only housing left is rental and that is at a premium.

They pointed out that their UIC premiums have gone up 25 per cent. That is a straight tax increase, no matter how you cut it.

They pointed out that the GST had been brought in and that the inflation rate in Vancouver was 6 per cent, which means that without a wage increase they had 6 per cent less money in their pocket, if they were in a stable rental accommodation.

If they were not in a stable rental accommodation, but in one where rents had gone up because the Socred government has removed all rent controls in that province, and rents had gone up 25 per cent, 40 per cent, 50 per cent, they asked what they were going to do. "Where are we going to get the money to clothe our children, to ensure that our children have adequate food, to meet the necessities of life."

I am not talking about the big boys earning the $80,000. The dominant number of strikers were women.

• (1540)

I then talked to some of the merchants. I will just ask my friend to comment on the impact on this type of community where retail sales are sagging because a large segment of the community has been denied a cost of living increase. They have had to cut back on basic necessities and the retail industry is suffering.

I wonder if my friend would like to comment on those two things: the domination of the work force by women, and the impact of no increase on retail sales.

Mr. Murphy: Mr. Speaker, I thank my colleague for the question. I think that is one of the things the government has ignored in this back to work legislation. We think of people with fixed incomes and we have a lot of pity for them in our society with high inflation.

One of the things this government has also ignored is that a lot of people, whether they are renters or farmers with increased costs because of interest rates, who not only have stable costs, are going to have increasing costs in the coming fiscal year. These will be costs that they really have no control over such as costs that have gone up as a result of the goods and services tax and mortgages or leases that will have increased payments over the next couple of years. For people who are earning incomes in the $20,000 or $30,000 range, those increasing costs will not be met with the zero per cent salary increase. Their costs will go up, in some cases tremendously as my colleague pointed out. Yet they have been told that they are going to go home with a pay slip which may have the same amount of money but which will probably have more deductions next year.

They are going to be taking home less money. The cost of living will have gone up. In addition to that, their fixed costs will have gone up.

We are asking those people to survive with less as they try to pay out more. There is no attempt by this government to ever take that into consideration. I find it ironic, Mr. Speaker, that in this legislation they finally offer a number—I think it is 33,000 Public Service employees—a $500 lump sum payment.

If this government had been serious about negotiating, opening position could have been made last February. That could have been the position where the government was saying: "Here is our way of trying to help some of the people at the low end of the scale". No, it did not take that position, it did not take that position until there was a strike. It did not take that position until the Public Service Staff Relations Board ruled against it. Now it refuses to budge from that position.

It knows it can negotiate. It knows there are areas where the Public Service and the government could work out some of the problems that my colleague was talking about. However, This government refuses to sit down and try to resolve those problems.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I thank the hon. member from Churchill for his insight into this debate. I would like to pose a question to him, revolving around morale in the Public Service.

I have in my constituency, as a matter of fact in the same building where my constituency office is, the Department of Citizenship. I have across the street a Canada Employment Commission. Not far from our riding we have immigration offices. In the riding we have National Health and Welfare offices. So I have many public servants affected by this strike.

These people are very conscientious. They know they are there to serve and when you serve the people, the public, you help people. You help people, you make them happy and you as a worker are also happy.

What I have noticed lately, Mr. Speaker, is that the morale of these workers has just hit rock bottom. It does not matter which department we call, these people are well-meaning but because this government has so mistreated its workers, the morale is at rock bottom.

I would like to ask the hon. member for Churchill whether he notices the same low morale in the constituency that he represents, in Churchill, or is this unique to our Toronto region?

Mr. Murphy: Mr. Speaker, I think it is obvious to many people in this room and across Canada that morale will be a serious problem. It is not a new problem but I think it is going to be a vastly enhanced problem in the future.

I remember the reaction of government workers after the anti-inflation program in the 1970s, the six and five program in the 1980s and I listened to people out there last week in Brandon, Manitoba. It is obvious that you cannot keep treating people the way this government is and expect them to go back to work after and be happy.

This government has heard various government members ranting at them and just ranting and ranting and ranting at them. They are going to go in, making one-third the salary of some of these Conservative MPs who are ranting at them and be expected to do a job, knowing that the government has absolutely no appreciation whatsoever for them.

I hope that they in no way take it out on the public, but I can expect that this government is going to have a very difficult time in the future getting co-operation from its own employees because of the way it has treated those employees.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. member for Portneuf.

Mr. Marc Ferland (Portneuf): Mr. Speaker, I rise again today concerning Bill C-29, which does not particularly please me, but which is unfortunately necessary. Why is it necessary? Because it seems to me that there are people in this country who take advantage of the powers that were given to them in good faith by the grassroots. I am referring to Mr. Bean, the president of the Public Service Alliance.

The union members have put their faith in him. Those are people with whom I work every day of the week, throughout the year, people with whom I was able to develop, over the last seven years, good working relations, as well as a better understanding of the stakeholders, through the different services that the population has set up for itself. Now, some leaders who want some form of political gain or who want to support certain political parties in Canada are using those services. I personally find this unfortunate and unacceptable.

Sometime ago I was reading an editorial in the newspaper and here is what it said about the perception of people. This editorial reflects exactly the thoughts or reactions that the people in my riding tell me every time I have the opportunity to meet them—and God knows that I see a lot of them these days. It says: "Day after day, the headlines refer to the lay-offs that the businesses in the private sector are compelled to make. In the meantime, the Federal civil servants go back on strike to protect their purchasing power, as though they lived in a glass buble. Job security has become an invaluable benefit in the last ten years, specially in the light of two recessions. Everywhere in the private sector workers deal with the stress associated with the risk of losing their jobs, temporarily or permanently, because they are aware of the problems faced by the companies for which they work. Several unions have had to show a good degree of lucidity and realism and have agreed to defend the solution based on salary freeze and work sharing in order to enable their members to maintain a decent revenue. As for the Public Service Alliance, it does not want to make any compromise."

The editorial adds that "All Canadians have suffered a loss of their purchasing power. The raising of the psychological and financial comfort of the 156,000 civil servants that are on strike would never be an objective for Canadians, quite the contrary. Wall to wall job security. Working conditions strictly monitored by governmental organizations that measure the inclination of chairs or the purety of the air in the buildings where these servants of the State work. Not to mention a pension plan that is better than what exists in the private sector. There are also benefits that, more often than not, make these Canadians, these civil servants, the spoiled children of the society in periods of recession." They say Minister Loiselle and the government should stand firm.

• (1550)

Why editorial writers are saying this? Simply because some union leaders probably failed to listen to the grass roots.

Another point: Mr. Bean refused a wage freeze. France Pilon, in *Le Droit* of April 25, 1991: "The downside of the convention came with the announcement of spending cuts totalling $1.8 million annually, which will force the union to freeze certain positions. Public servants will also have to pay 83 cents a month into the strike fund which is now at about $15 million. Union dues have been increased as well. Ms. Hurens was not able to say exactly how much, although she said it was less than $4".

In April, Public Service union leaders had already decided there would be a strike. However, they had also decided they could not afford to increase the salaries of PSAC staff. They cut 20 positions so they could give a 3 per cent increase to the remaining staff. They said: It is too bad, but it was the best we could do.

Mr. Speaker, today and yesterday, Her Majesty's Loyal Opposition has held up debate and held up this legislation while trying to convince us and Canadians across the country that the government is coming down hard on its employees. Mr. Speaker, we must not forget that as far as the average citizen is concerned, I, as the member for Portneuf, am there to serve them. They pay me as they pay other public servants, whether they are federal, provincial or municipal. Why do they pay us? They pay us to provide the services they want, services they are paying for.

Today, Mr. Speaker, Canadians cannot afford to increase the quality or number of those services. Why? Because plants are closing, including one in Matane; 1,000 direct and indirect jobs in the Matane area. There are 100,000 jobs in Montreal or Toronto. But not a word. Her Majesty's Loyal Opposition doesn't mention this because it would jeopardize their strategy, which is to cover for Mr. Bean and urge him to keep his members on the ricket line while not giving them the whole story. Most government employees don't want a strike, and that is what causes all the violence.

Tensions are rising. All day yesterday and again today, they talked about the tension there would be in the workplace the day after the strike for which I was responsible. Mr. Speaker, neither you nor the President of the Treasury Board nor myself ordered government employees, the servants of the Canadian people, to take to the streets and take the people of this country hostage. We, here in this House, did not ask for that to happen. It was the President of the Public Service Alliance of Canada. He knew what he was going to do. He knew he would hijack our airports, harbours, railways, health services and even unemployment services—they must certainly need them at this point. We don't have many unemployed people in Canada these days: 1,200,000! How many tens of thousands of elderly people wait for their old age security pension cheque every month to be able to survive. He knew what he was doing. His purpose was not to defend his members' working

conditions, it was not to explain the basis of his demands to his members, no. It was to say, "I, Bean, will challenge the Canadian government's budget because the New Democratic Party does not agree with it and I advise the NDP." But he forgot that he was also taking some fellow workers hostage. Often when I hear Mr. Bean talk about solidarity and how important it is, can he explain to me how much he supports the unionized workers who are now laid off temporarily, waiting for parts to cross the border so that they can go back to work? Does he support them? Does Mr. Bean's behaviour show solidarity with the employees in my riding who have difficulty every day in trying to save their industries? Domtar, Donnacona.

On August 2—that is not a century ago, it is a little over a month back—we lost 135 jobs at the insulating board division of Domtar. Fifty more lay-offs were announced for the period up to January 1, in addition to the 53 that had already been announced and about thirty others were announced in early December last year for the pulp and paper mill next to Domtar.

I met representatives of the employees, I had discussions with employees at that plant, I spoke with the plant managers. They do not know whether the factory will still exist on January 1 or July 1 next year. Can you imagine the stress they are under? You think that their first thought on waking up in the morning is to worry about whether public servants will lose their job security, even though they know that public servants cannot lose their job security since the government cannot go bankrupt.

Public servants are the only ones in the country to have wall-to-wall security, because they work for an organization that cannot go broke. A provincial government cannot go broke. I have not yet seen any cities go broke. But all the rest who make the system work and who pay those salaries do not have that security. They could have a collective agreement a foot thick, but the day the factory is no longer competitive and the business can no longer sell its products, the boss is out of a job and so are the employees. Everyone is out in the street, at the unemployment office. Except that today, the office is closed.

But they paid for those services, Mr. Speaker. Those people paid for them! They agreed to give collective agreements and working conditions and salaries that are much better than those most people have. The proof, Mr. Speaker, is that an average Canadian earns $27,400 a year. An average civil servant in Canada earns $33,500. We said yes, but we provided for essential services. The idea of essential services makes me laugh. Why would a government set up services that were not essential to begin with? We must define what is really essential. Air traffic controllers are essential in a country. What constitutes essential services in air traffic navigation? Can you tell me? What is essential in meat quality control? If we only need ten inspectors to provide essential services, why have hundreds of them then? I would assume that, if there are hundreds of them, it is because they are all needed. I do not think that people are hired in the public service for the sake of it. They are hired because they are needed, to provide services which the people have to tighten their belts to get, if there are any belts left to tighten. I can tell you that where I come from, many people just lost their belts.

• (1600)

Yesterday's edition of *Le Soleil* reported 609,500 welfare recipients in Quebec. These people are no longer drawing UI benefits; they are down to the last resort. Are these the people to whom we will be asking for money to pay civil servants' wage increases? I am not quite sure they are the ones to ask.

In the same article, we could read that Ontario was headed toward having a million of these people down to the last resort: welfare. They are certainly not the ones we should be turning to for help. Can our 1,200,000 unemployed citizens on UI or waiting for the offices to reopen to be provided with the services they have been paying for all those years who can afford it?

Her Majesty's Loyal Opposition did not raise that point. They talked about how badly treated government employees are, but failed to mention the people who are being highjacked today. And that is not right!

With regard to essential services, all government services are essential, at whatever level of government. In a municipality, when there is a fire department it is because it is essential. The police department exists because it is essential. At the provincial level, hospital

services are essential services. Otherwise, there would not be any.

As a matter of fact, Mr. Speaker, the opposition does not talk about that. It unduly extends the debate not unlike what happened last December. Thanks to the opposition and its tactics to make the debate drag on, this House ended up considering the opportunity to become involved in the Gulf War while the war was on. Thanks to the loyalty of our friends opposite, we were wondering if Canada should do its duty.

Well, today, we have to pass a special bill, an emergency bill, to stop the violence, if I may call it that, spreading on the picket lines. We are in no hurry, of course not, there is no rush. In a little while, we will send it to the other place. I do not know how long it will take—it all depends on the quality of Her Majesty's Loyal Opposition over there—but there is no hurry. Some essential services are not being provided right now, because people are prevented from going to work. There is no harm done. It always falls on the poor taxpayer, who pays his taxes in good faith, in order to be able to afford these services! Some members in this House seem to forget they are here to serve the public, they have a duty to people on welfare, to the unemployed waiting for their cheques or waiting in line to fill in some forms so they can get their benefits, the only income they will receive to feed their families. However, they do not care about that, it is not important. What is important is to play petty politics here. On whose back? On the back of those who cannot defend themselves, those who cannot take anybody hostage.

Mr. Speaker, when there is a hostage-taking incident somewhere in Canada, we say that it is illegal. We call the RCMP and say: "Throw that person in jail immediately." However, when Mr. Bean says: "Take the Canadian population hostage", that is okay. It is legal, and the ordinary citizen is supposed to take that without saying a word. That is not true. The government should not listen to those people. It should say: "No, let it go; there is no problem."

The Opposition says: "Appoint a mediator." But are thirty days of mediation not enough? Are sixty days of negotiations not enough? No! My colleague tells me that it is not enough. She wants the government to be irresponsible, just like the party she always— She is nodding. She is saying yes, you should be irresponsible. That is remarkable! Well I am sorry for her, but we are a responsible government. We make decisions in the interest of those people I was talking about earlier, those who have almost nothing left, the unemployed, the people who are losing their jobs in the plants. That is what we do.

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member should conclude his remarks as soon as possible.

Mr. Ferland: Mr. Speaker, I would conclude by saying that the loyal opposition of Her Majesty should have shown more solidarity with all Canadians and a greater concern for issues of national interest, so that Canada does not end up bankrupt.

Mr. Speaker, I hope they will express that kind of interest before six o'clock.

The Acting Speaker (Mr. DeBlois): Questions and comments. The hon. member for Hamilton West.

[*English*]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, it was interesting to hear some of the remarks made by the Tory member opposite. The member speaks very conveniently of attempting to draw money out of the unemployed of Canada. "I cannot ask," he says "these people who do not have a job to boost the pay cheques of public civil servants."

It is a very noble argument in the eyes of those who do not completely understand the issue. I think that most Canadians can see through what is most obviously a very transparent argument being made by the member opposite.

I want to remind the member opposite and those Canadians who are sitting at home who know full well the full arguments around this issue that this party he represents, this current government of the day, had the opportunity, not having to draw money out of those who are unemployed, seven years ago to do something to ensure that we did not get into a made-in-Canada recession as we have found ourselves in.

Maybe the hon. member could pick up a copy of today's *Quorum* and take a look at an article by *The Citizen*. Here is a little line in it that says: "What about the burst of fiscal generosity which preceded the 1988 election?" Those who worried about what these promises would do to the deficit were told not to worry, these were not promises but spending commitments, the government said back in the 1988 election, already allowed for in the government's fiscal plan. As soon as the election was over the government told a whole other story; that times were tough, that programs such as a national child care program were no longer spending

commitments but were now impossible because of the shortage of cash.

When did the sun dawn on this government, that suddenly there was no money in the public purse, no money to be fair? There was no money to be fair to those individuals who are sitting trying to do an honest day's work as public civil servants in this country, who are paid less than $25,000, the poverty line. How many are making $18,000 and $19,000 a year? The government says: "Oh, we do not have any money."

• (1610)

I want to ask the hon. member opposite if he can really stand in his place today and not be as transparent on the argument to draw sympathy from the public and to say: "I cannot ask these unemployed people for money to pay the public civil servants". It is a transparent argument.

[*Translation*]

Mr. Ferland: Mr. Speaker, my hon. friend is asking me how come there is no more money in the public treasury? He conveniently forgets, Mr. Speaker, that when we took over in 1984, his party didn't leave much in the treasury. In fact, it was empty, Mr. Speaker, when we took over!

Since 1984, we have been trying to come out of this quagmire we have been in for 20 years. If you read what has been said, you will see that all the experts say that we are doing our job. There is a reality that you don't want to face, it is the fact that you left us with an impossible debt; secondly, we are just out of the worst economic crisis that this country has ever known and you are asking us, Sir, to go on spending.

What you are not telling us and what nobody dared say is where you are going to take the money to pay for all the goodies. You know perfectly well, because you are not anymore stupid than the average man, you are sensible people, you are too partisan but you are nevertheless sensible, and you know how to add. However, you do not dare tell us what we should do to give what they are asking us; you do not dare say that we should increase the national debt by 3.5 billion over the next five years. You don't care.

We have already mortgaged, Mr. Speaker, not only our grandchildren, but our great grandchildren. Canadians in general are asking us to live within our means, but you stick to the rhetoric which has been yours for 20 years: "Spend, spend, doesn't matter, pay later". I am sorry, but we are at the point where we have to pay the bill. And everybody pays, not just a fraction of the population.

I suspect, Mr. Speaker, that what is bothering the hon. member is that he is part of the solution. His own salary is going to be frozen and he doesn't like it.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I find the tone of the Conservative member almost offensive. He keeps talking about Liberal mismanagement and the deficit. Why does he not take responsibility for his own problems as a Conservative government? Why does he not listen to what the Auditor General said about the need to look into all the contracting out that this government is involved in? Why has this government refused to look into that very issue?

We know right now that this government is spending approximately $5 billion on contracting out. We know that the legislation before this House is one in which a civil servant, a federal government employee with a salary of $24,000 a year or $22,000 a year, will have his or her salary frozen. The legislation specifically excludes contractors from having their arrangements frozen.

We know that it is strictly up to the government to decide how much these people will be paid. It can double the contract and expect a 50 per cent increase in the work. It could triple the contract and expect no increase in work. These people are the political friends of the government and they should not be made to suffer—$5 billion, no controls.

The Auditor General said it should be investigated. If this member is concerned about the deficit, if this member is concerned about what is happening in this country, he should look in his own back yard. He should look at the friends of the Prime Minister. He should stop the attempt at buying friends, buying votes, and show

some concern for Canadians. You have absolutely no credibility when it comes to the deficit. You have no credibility when it comes to fairness. You have not cleaned up your own back yard. Do that first.

[*Translation*]

Mr. Ferland: Mr. Speaker, the hon. member is upset, but if you allow me, I would like to put a few elements back into context. He probably lost his temper and made a few mistakes.

When he says that we are not doing anything for people earning $24,000, I would like to remind him that the offer which has been refused by Mr. Bean contained a lump sum payment of $500 for some 35,000 civil servants earning less than $27,000 a year. That is the first thing. Guaranteed employment for civil servants laid off as a result of contracting out or privatization. Try to find that in the private sector! A guarantee of a reasonable job offer to all other employees affected by workforce adjustments, provided they are mobile and can be retrained. Commitment made for all dental expenses and increase of the ceiling for orthodontic services form $2 000 to $2 500. Increase of the contribution of the employer for disability insurance premiums from 75 to 85 per cent. Increase in the number of daycare facilities in the workplace.

In fact, Mr. Speaker, I do not think that the 10 to 15 daycare facilities will be opened in Donnacona, at home. they are probably for the civil servants, in Ottawa.

From the 1st of April 1992, six weeks of annual leave after 29 years of service. Increase of the shift premiums from $1 to $1,10 per hour, of weekend premiums from 75 cents to $1 per hour and of lunches premiums from $6 to $7, for overtime.

Mr. Speaker, when my friend from the NDP says that we are not making any offer, that we negotiate in bad faith, I am sorry, but after what I have just read I think he put both foot in it and it is not the first time.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I wanted to participate in this debate because there is a myth which the government is attempting to sell around the country. I want to play a small role in trying to dispel that myth. That myth is that it is okay to single out, to target, the lowest paid of the public servants of Canada for special regressive treatment. It is okay to say that the lowest paid people who work for the Government of Canada can be frozen, can have their collective bargaining rights taken away, can be held up as an example of how to pick on the weakest among us in any organization. It is okay to do all of that because out in Canada there are a great many unemployed, because out in this great wonderful country called Canada there are people who are poor, and as long as there are people who are poor and people who are unemployed, it is therefore okay to treat your own employees in any way you want.

I come from Newfoundland and Labrador. That is my province. It has the highest unemployment in Canada. It has the highest poverty in Canada. There has never existed in Newfoundland and Labrador even the slightest degree of room for what I call the politics of envy, setting up a straw man or a straw woman, feeding the fuel of that negative emotion called envy and then seeking to destroy that straw man or straw woman.

That is what the national government has done. It is the politics of division. It is the kind of instinct that if we allow it to be appealed to, it will divide the nation. It is exactly the same kind of instinct that divides French and English, the west and the east, north and south, black and white, Protestant and Catholic and Jew and Gentile. It is the same kind of appeal. It is the politics of division.

I hope Canadians who are following this debate and following this issue understand what is happening. Especially if you are unemployed and following this debate, especially if you are poor and following this debate, and especially if your job is uncertain and you are following this debate, understand the negative appeal that the government is making to you. The government is saying: "If you are uncertain, if you are poor, if you are hungry, if you are worried, if you are unhappy, then you have a right to know that some are even more unhappy, more uncertain, more unsure than you are and those people we've selected for you are the civil servants of Canada, and not only the civil servants of Canada but the lowest paid civil servants of Canada".

I am here to tell the government that those kinds of politics, the politics of division, the politics of envy, are not selling in the country this time around.

• (1620)

They are simply not washing. People understand as never before, having been faced with this government since 1984, the concept of fairness and balance in the public affairs of this country.

They expect the government to be fair and to be balanced in its approach to public policy. They expect the government to set an example of fiscal restraint and of being frugal, but most important of being fair. Is there any fairness? Is there one iota of fairness in saying that it is okay to give not a salary, not an increase, but a bonus of $70,000 or $80,000 for the highest paid public servants?

Many Canadians would love to have a salary of $70,000 to $80,000. Many Canadians would love to have an increase, public servants this year for example, of $700. This government gave a bonus that is over and above the $200,000 to $300,000 salary, a bonus of $70,000, $75,000 and $80,000 to the highest paid public servants in the land. It has given zero per cent to the lowest paid public servants in the land.

Whether your circumstance is that you just got a raise in the private sector or you just got laid off in the private sector, it is not hard to understand the concept of fairness as it ought to be when you look at how this government operates from day to day and when you look at the circumstances as they really are: zero per cent for a secretary and a $70,000 bonus for the hand-picked heads of corporations selected by this government.

That is not rhetoric. That is not opinion. That is not comment. That is fact. That is fact, and the same people who stand behind the administration that made that decision stand today and say: "We cannot afford to be fair. We cannot afford to be just. We cannot afford to be decent with public servants because we are really worried. We are bleeding for the unemployed."

There has been an indecent level of unemployment in Newfoundland since this government came to power and it is difficult to believe that only now is it bleeding for the unemployed of Newfoundland.

There has been an indecent level of poverty since this government came to power and suddenly this government wants to be on the side of those who live in poverty, taking on those nasty, terrible civil servants making $18,000 a year.

This bill defies credibility. It is not possible to believe the government is sincere or genuine when it presents this bill.

This is one of those debates in which if a member of the opposition believed merely in political convenience, we would buy the argument that the government puts forward, that the strike is inconvenient and therefore we must slam the public back to work. That would be the easy thing to do, to say: "Yes, somebody in my constituency has been inconvenienced by those civil servants and we are going to slam them back to work."

That would be the selfish thing to do. That would be the quick, easy, convenient and cowardly thing to do. When I stopped my car on the side of the road coming back here on Monday at an airport road in Deer Lake, Newfoundland and talked to half a dozen people with picket signs in their hands, most of them making less than the minimum income of this country, I did not see a bunch of greedy, selfish civil servants. I saw people who could not really afford to be on the picket line.

They were people who could not afford to be on the picket line, whose children had just gone back to school.

They just got them ready for school. They are looking at Christmas and they want to have a few gifts under the tree. They really cannot afford to be there and they do not want to be there. They absolutely despise the fact that they are out there. Mr. Speaker, their principles are not for sale. They are prepared to pay the penalty in lost salary of being on the picket line because they want to make a point. They want the government to know that as it hauls on its jackboots and walks over them that they are not dead, that they are alive.

These public servants want to stand for their rights, Mr. Speaker, in a way they have never done before.

When the government can roll over its own, when the government can walk over the lowest paid of the public servants of Canada and not a sound is heard as it rolls over them, it sets an example for all members of our society to be rolled over by big and powerful organizations and institutions.

Members of Parliament are here not because it is the political thing to do, not because it is the easy thing to do to stand up to Bill C-29 and not because it is convenient,

but because it is right to oppose this bill which has wiped out the right of collective bargaining in Canada.

We acknowledge that Canadians have been inconvenienced. Of course they have. I have been inconvenienced. I do not like it and Canadians do not like it. The issue is not whether or not the Public Service strike is inconvenient for the country. Of course it is. The issue is why do we have a Public Service strike? Is it because it is unreasonable for people to seek more than zero per cent salary increases? Or is it because a government that has languished at 12 per cent to 15 per cent in the polls for the last six months finally needs somebody it can stand up and knock down.

I suggest the truth is obvious. This is a government desperate to pick a battle and win a battle, any battle with anybody. It has picked upon public servants. This is a government desperate to ride on the backs of the lowest paid public servants in this country, trying to climb back up the slippery slope of popularity.

I tell you, this government insults not so much the intelligence but the integrity of Canadians if it believes that an appeal to mob rule, an appeal to pack mentality, an appeal as I said earlier to the politics of envy, is going to result in some collective mad rush by the public at large to beat up on the public servants of this country. It will not result in that kind of mob rule.

If this government truly wants an end to the labour disruption in this country, if it truly wants to see the Public Service functioning in an efficient manner, if it is truly interested in the whole notion of pay equity, given the women in our society, equal pay for work of equal value, if this government is interested in justice at all it will back away from this disastrous course.

If the only rationale that those who would promote and who have manipulated this strike can come up with in the smoke-filled dark and dank rooms of the Tory party is the belief that somehow you are going to lift yourself out of your political misery by ganging up on civil servants, the government must know by now that that strategy has failed. That strategy has failed. The public is not buying this obvious and bare-faced and bold and brazen attempt to manipulate public opinion.

• (1630)

How can Canadians believe, as they desperately want to believe, as they desperately need to believe, that their government is dealing with them in a forthright fashion on something that is as fundamental as the Constitution? How can Canadians believe that all matters they need to know have been exposed, that there is no shady back-room dealing in something as fundamental as the Constitution, when the government is so obviously prepared to manipulate, to deal in the back room, to be unfair and to be unjust on something as fundamental as how you treat your own employees?

That is the issue the government ought to cotton on to. This government is in power at a time when Canada is experiencing perhaps its last opportunity to pull the nation back together. This government that is responsible and directly responsible for the current mess we are in now has responsibility to try and bridge the gap and the differences in this country, to get people pulling in one direction and to find a constitutional reconciliation.

How can the minister in charge of the Constitution, Mr. Clark, how can the Prime Minister, Mr. Mulroney, how can his lieutenants, Mr. Bouchard and Mr. Crosbie, be believed in their respective regions and in their respective responsibilities when they say: "Our only interest is Canada. We are being forthright with you. We are being honest with you. All we want is a fair and balanced deal. Trust our intentions, believe in our integrity, follow our course and come build a better Canada with us".

How can we believe that soaring rhetoric when right here in this Parliament today this same government deals with its own employees in the most deceitful and manipulative way possible. That is the issue for this government. This is not a question of batting heads with the union and winning. It is not a question of showing who is the most stubborn and it is not a question of manipulating the weakest among the federal government organization. It is a question of fairness.

Mr. Speaker, I tell you this argument that we are going to take money out of the pockets of the civil servants to feed the hungry in Newfoundland is not washing.

Let me tell you about Newfoundland. Let me tell you about the politics of envy. In 1984, when Ethiopia was suffering the worst famine it has seen to this point, when millions were starving and going to tents, Newfoundland had the highest unemployment rate in Canada, it had the highest poverty rate in Canada and on a per capita basis, it gave more than any other province of Canada to the people of Ethiopia. That is the reality of the province of Newfoundland and Labrador. When they were called upon to give they gave on a per capita basis in greater measure than any other people of the country. The poorest of the country responded.

So this politics of envy that is being thrown out now as a rationale for beating up on civil servants does not find a receptive audience in Newfoundland and Labrador. I suspect it does not find a receptive audience among the newly unemployed of southern Ontario, one-quarter of a million people driven out of their jobs by this government. The politics of envy does not find a receptive audience among our native people whose treatment has been shameful in the history of this country. The politics of envy does not find a receptive, resonating core among the urban poor. It does not find a receptive audience among our farmers who are today trying to sell wheat at the lowest price since the 1930s.

The politics of envy and division in Canada do not work any more. People in this country instinctively understand that if the country is to survive, we must be fair to each other. We must care about each other. We must pull together. You cannot accomplish those goals when you accept the temptation to begin to pull apart and to beggar your neighbour and to envy your neighbour and to allow anyone to manipulate you into setting up scapegoats.

There are two political forces at work in Canada today whose success depends upon Canada's failure. The Reform Party believes in a Canada without Quebec and the Bloc Quebecois believes in a Quebec without Canada. This government has borrowed a page from both those parties when they practise the sickening politics of division and envy.

We in the Liberal Party stand opposed to Bill C-29. We do not oppose it because it is the obvious political thing to do. There are not enough civil servants in this member's riding to elect or defeat him, or that member's riding, or that member's riding. There are proportionately only a handful of civil servants in my riding and there are a hell of a lot of unemployed.

The easy thing would be to join the gang-up on those civil servants. The cowardly thing would be to say "yes, we are standing with the unemployed and the poor against those civil servants". But the right thing to do if we are going to begin to heal the wounds that have torn this country asunder, wounds inflicted by that government, is to stand against this bill. We must stand against this brand of politics and say "no" to Bill C-29, stand up for our neighbours, in this case those civil servants who have been manipulated by this government to a picket line.

Some hon. members: Hear,, hear.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister of Multiculturalism and Citizenship): Mr. Speaker, I would also like to get involved and ask a few questions to my honourable colleague, who started by saying: There is a myth. However, Mr. Speaker, who creates that myth? Is it us, on this side of the House, who are trying to tell the exact truth? What saddens me the most is that he says that the Conservative Party does that on the back of the poor workers in order to get votes and higher ratings in the surveys.

If that is getting higher ratings in the surveys, it is not climbing fast. This morning, 200 public servants from Laval who earn a very good salary came to my office and told me that they would not vote for me anymore, because they did not get a raise. Is that getting votes or being honest? The Liberals have it easy. They say: You have been in office for seven years, what are you doing? Yes, but the damage was so great that it will take twenty years to clear the mess, and the poor public servants and ourselves will suffer because of that.

Behind my honourable colleague, there is the other member who says: The debt was at $180 billion. Now, it is at $400 billion. It is true. It is climbing to $410 billion, perhaps $420 billion.

[*English*]

He stops there. He gets a heart attack because he does not want to say why. I will tell you why. Interest rates. When you have debts you have to pay your interest as everyone does.

But one thing you never say, that is why there is a myth.

I want to ask my hon. colleague. Today I went to the minister and asked a few personal questions on behalf of my constituents. Why, if your job is so bad, do you not resign? He did not resign and I hope he will never resign because in my area we all love him. I never had so many calls about a minister and the NDP asks me if he will resign. He will not resign because in my area people love him and say "get these people back to work because I have to go to work and I want to work."

I would like to ask a question of my hon. colleague for whom I have a lot of respect. Can he explain this job that is so bad? If we treat these people so bad why do 234,000 people, Canadians, want to get a job, 50,000 of whom are qualified to get that job. They are waiting to get a job.

I am sorry I should not call that a job. At that price I should call it a position.

People love this place. People love to work here. Can he explain to me why if it is so bad, these people—

An hon. member: Oh, oh.

Mr. Della Noce: Why don't you listen once in a while. You may learn something. You didn't know that.

Why do the people want to have such a job, such a position if it is so bad.

• (1640)

Mr. Tobin: Mr. Speaker, I am glad the hon. member got to his feet and asked a question. I have just spent 20 minutes talking about that insidious poison, and obviously my words fell on deaf ears, that insidious bit of killing poison the government is squirting into the veins of the nation, called envy. That is the game here. That is the whole game. You are at 15 per cent in the polls. That means that less than two people in 10 think anything of you. You cannot get them to admire you for your virtues so you appeal to pride and prejudice. You set up the politics of envy.

I spent 15 or 20 minutes talking about that poison called envy. "If I cannot get you to like me and respect me, can I get you to rally to me, as together we shall beat up on someone else". What does the member say? What is his question? His question is: "The 234,000 people in Ontario who lost their jobs in the last 16 months, because of the policies of the member and his government, would they not like to have these jobs?"

The answer to the question is obvious. Those people would like to have jobs. Absolutely. If the member cared about getting them jobs, the member and his party would abandon their disastrous trade policies, free trade with the United States and now free trade with Mexico. That is what led to 234,000 jobs being lost in Ontario in the last year.

This government caused 1.5 million people to be unemployed today, 1.5 million whom we know about and probably another 500,000, 600,000 or 700,000 who have given up trying because it knows that those poor, wretched, displaced unemployed souls are out there. It knows they are there. It put them there. In desperation it does not announce a job–creation policy. It does not announce an industrial policy. It does not set up some signs of hope for this economy. What does it do? It says to the unemployed worker: "We are going to put you back to work. We have a plan to put you back to work". What does it do? It sets up the civil servants as scapegoats.

That is not only so transparent as to be childish, what is worse, it is personally cowardly. It is the mark of a coward and I am ashamed to witness it.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I hear the government saying that it cannot afford it. I would like the member to comment on just one thing, the government's handling of high interest rates and what he thinks would happen if it had reduced interest rates by just 1 per cent in this country, one additional per cent. How much would it save on the national debt?

My calculations are that out of a $400 billion debt, if interest rates dropped 1 per cent, the saving would be $4 billion. Do you think that would give the civil servants a reasonable wage increase and leave some money over to help the unemployed in Newfoundland?

Mr. Tobin: Mr. Speaker, I concur with the member. What the unemployed people of Canada want is not their neighbour dragged down to share their misery in unemployment or some comfort in knowing that somebody else was slain by this government or somebody else was unemployed. What the unemployed people of Canada want is a government that, if it cannot come to grips with the reality of unemployment, at least shows some empathy, at least can bleed a little, can indicate that

there is some hope and is, at least, prepared to spend its energy creating jobs, not creating confrontation.

The government does not understand that people who are down and out do not spend their days wanting to make everybody else be down and out. What they want is a response. They want some indication that the government is listening. They want some hope.

The fishery in my province failed and failed disastrously this year. I and every other MP from Newfoundland for the last two weeks have almost daily been asking for assistance. I want assistance. I want help for fishing families that are down to their last dollars. It will not help fishing families down to their last dollars if in the process we kneecap the lowest paid civil servants.

I have not heard one fisherman, as desperate as his plight is, say anything to me but "can you help?" Not one fisherman has ever said "it will make me feel better if you kneecap some single mother making $18,000 a year". Fishermen do not believe in the politics of envy; they do not believe in division; they do not believe in dragging down their neighbour. They want a degree of fairness and a degree of justice and that is all they want.

It is an insult to those fishermen who are hurting right now, it is an insult to those farmers who are hurting right now, it is an insult to the 234,000 people this government drove out of work, to say that all of those people collectively do not just want help but they want vengeance, they want revenge, they want blood, they want to beat up on the civil servants. That is the message of this government: not one glimmer of hope, not one glimmer of compassion, not one glimmer of conviction, only the politics of envy and division.

Canada deserves and needs more than that right now.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State of Canada and Minister of Multiculturalism and Citizenship): Mr. Speaker, it is the second time I have the privilege of speaking in this House on a matter that deeply concerns me.

I must admit that in the beginning, I was not much in favour of rushing people back to work. I have never seen the use of forcing people to work because I know, having been in business for twenty years, that you cannot do it. I gave a few examples of what I mean yesterday and I will try not to repeat myself, but when I hear the arguments of opposition members, I see how easy it is for a myth to exist, Mr. Speaker.

I am talking about the Official Opposition, but there is also the other one, the Socialists, the New Kids on the Bloc, the Barbecues, you name it! It is a real fairy tale! When I see Daryl Bean—

[*English*]

—Uncle Bean we should call him. He had the opportunity and the privilege to get this House all together to start to negotiate. I have here a little paper that is very interesting for Mr. Bean from *The Ottawa Sun*: "Pork and Beans." It is Friday's editorial reaction entitled "Fatting the calf" which got the PSAC president Daryl Bean suddenly believing that the time was opportune to move public sentiment into his union's corner. We hope not. They got in. From our corner there was absolutely no reason for Bean to walk away from the negotiation table, and certainly no reason for him to then run to the media and blame the Treasury Board for breaking off the process, like the NDP just did. "It is the minister's fault. We were negotiating, we were good boys". It quit the table.

Today there were 200 people in my office, and do you know what they said? "We want to negotiate in dignity. We want to negotiate in dignity." Who quit the table? I do not know if they are informed of what the hell is going on here. I am not sure they know what is going on here. That is what they said and it is signed: "You are going to lose the vote; we won't vote for you."

[*Translation*]

"In the end, we want to be treated with dignity. We want the right to free negotiation and the nomination of an independent mediator". It is signed—because they will remember at the next election, since this is not the way we will win votes! It is signed—in any case, there is a copy—Yves Perras, 734 Monette Street, Sainte-Thérèse! It is not even in my riding. He certainly will not vote for me any more. He will vote NDP. Let him vote

NDP, the miracle party! But these are the same guys who told me: Della Noce, you are a good guy, you are honest and that is why we love you.

• (1650)

But when it does not suit them, they do their usual pussyfooting, one step to the right, one step to the left, one step forward and another backward. No! I was honest before, and I will try to stay honest right now and after.

These are the same people who are telling us:

[*English*]

"We need an honest man in politics. We want good people in politics, but when you're honest, we will not vote for you". I am going to stay honest. I am going to stay fair and clean.

An hon. member: You will not be elected then.

Mr. Della Noce: I was so happy last week when we had this agreement and I said: "Fine, we don't have to vote and it is okay for the boys". Then what was the offer? The *Ottawa Sun*, "Pork and beans" says: "He was offered a job security guarantee for every member of his rank and file and what could be more important than job security in this economic climate?" What is better than job security? He was offered a $500 signing bonus for every PSAC employer earning less than $27,000. That is not a big salary, but I know a lot of people in my area who would not mind working for $27,000. That represents 35,200 people when not long ago he was calling the same people scabs because so many of them believed he could not rustle them up a dime.

That was one ball game. This is another. We hear the critics from the other side of the House, the Liberals and the NDPers. They were together, almost kissing and hugging together. It is very dangerous for the people of Canada when they get together because it is not the same party at all. One is socialist and the other one is capitalist and they like to spend money. They did spend a lot and they like taxes. We hope there will be no more tax increases, but that is the way it goes.

The NDPers want the government to haul in a mediator to solve this puzzle. A mediator is not needed here. What is needed is for Bean to get back to the negotiation table he left so quickly. Otherwise, it is an affront to his cause. That is what it is. He wants to do something against the government because the NDP does not want to see us here.

We are doing a good job. We are doing the good job that we should do for the finances of this country. What did Mr. Bean do, big administrator? Mr. Bean did worse than what we are doing. In administration Mr. Bean is not so bad. He not a bad man. He is a good money player. He knows how to count. A lot of people here do not know how to save money.

He did his budget. He has 165 employees. What he did for his union people, his staff, is gave them a 3 per cent increase. Good guy. To give the 3 per cent increase, he cut 20 jobs and he cut his budget for $1.8 million.

[*Translation*]

I will read it to you, Mr. Speaker. It was in the April 19 edition of the *Toronto Star*: "The delegates at the PSAC meeting held in spring 1991 voted in favor of the abolition of 20 jobs."

[*English*]

The union voted to remove 20 jobs. It is unbelievable. They did it.

[*Translation*]

"Daryl Bean, the president of the union stated that employees have reason to be frustrated. But we are in a difficult situation." The *Toronto Star*, April 19, 1991. Daryl, poor old Daryl. We are in a difficult situation.

[*English*]

He is right. He did the right thing, but he is a union man. He cuts 20 jobs. We should have cut 6,000 jobs. Why did we not do it, 6,000 jobs to get 3 per cent? We did not cut the 6,000 jobs because 1 per cent equals 2,000 jobs. Anybody can count that. We did not do it, but he did it. We are the bad boys and he is the good boy. Is that true? Where is the myth? I will tell you where the myth is. The NDP is giving false information.

[*Translation*]

Lies, lies. They are defending the workers.

[*English*]

Where are they? There is not even one in this House here today, not one. There is not one. They defend the union people, the ones who do not cut the salaries, the

ones who do not freeze the salaries. They are the members of the NDP. What a farce. What a joke.

The people in my area believe them. Because I am honest they do not believe me. They want an honest politician. I am going to try to stay honest, because I tell them exactly how it is: you are lucky to have a job, you will go through this hard time, and maybe next year you will get three and the year later you will get more.

The NDP does not defend the poor workers who are losing money. The NDP defends the unions, because they finance almost totally that party. The NDP members do not have businessmen with them. They do not have people who have problems in these days. They do not have these businessmen who create jobs in their party, who have merchandise blocked at the port of Montreal which they need to sell and deliver to customers. They are not here, these guys. They are not with them; they are with me.

They call me and say: "Sir, we have to do something. Tell the minister to move", I will not tell you what because it is unparliamentary what they said to me just a few minutes ago. They have merchandise there which has to be sold, and these are the perfect boys.

I do not know. I do not know where we are going. That is the story. I hope everybody understands that, including the people watching us.

[*Translation*]

Mr. Speaker, I will now speak for the second time on the subject which is most important to me. This morning, 200 workers who have the right to be on strike and whom I respect invaded my constituency office, where I have two employees working for me, in order to scare them a bit. These employees do not belong to the union, they work for me and do not have the right to speak in my name. These employees are just doing their best. We serve the public. But those people tried to intimidate my employees in my office—it is not their office, but mine. When I have to go to their office, I have to make an appointment, and they are only public servants. How can those 200 people have the right to burst into my constituency office and ask to see me when they know I am here?

But, Mr. Speaker, I will tell these people, like I told them yesterday in my speech, that they are useful, that we need them, and that we worked with them. There are some among those who are hard workers and who give a 110 per cent of their time and of their energy to the government and to Canadians. But there is one thing that I will never tolerate and I say it to all those who are listening, that is intimidation, blackmail and lies. When I worked as a volunteer—and I did that for 20 years—in my riding, and when I coached baseball teams with young kids, I used to say to children and their parents: There are two things: lies and blackmail. Keep those to yourself, because at the rate that we are getting paid, we cannot afford that. It costs too much. With baseball, people accepted that; they understood that. It was volunteer work. "If you don't let my son play, I won't do this, I won't buy gas from you." I heard that line for 20 years. "My son is good." In that mother's opinion he was good, but in my opinion he wasn't. However, we tried to let everyone play.

"I used to tell the lady: "Of course our children are always nicer and better than the others; our children are much nicer and more intelligent, but there are also other ones that are nice and intelligent". That is what parents could not accept. So they would use blackmail on me. When they did that, the little guy would not play ball anymore. I would tell the lady or the gentleman to take their son and let him play in their backyard. It is the same thing in politics. If you don't do this for me, I won't vote for you anymore. Isn't this tiring in the end? Then they say: We want a member of Parliament that is honest, clean-cut, white, pure. Do you realize that we are a reflection of the population? Do you know that we are a reflection of those same people that come and tell us their story? However, we cannot say that. Those things are not in the newspapers. If it is a member of Parliament, it will be in the newspapers; if it is an ordinary citizen, we will not talk about it because it is not interesting. It is not good gossip material! But those are the people who create problems, like Mr. Kealy.

The papers failed to talk about his past, his background. It is not the purest. It is not white as snow. We all do our best. Every one wants to help every one else. But we can go nowhere with blackmail like: "Unless you give me this, I will not do that for you." I can give everything and the moon to my people. I could give them everything they ask for, but they would be the first ones to come and see me to say: "Give us a break. We are overtaxed!" Right they are, but good grief, I have known that for four years now. All I am doing is to avoid taxing them even more. We could give them a golden Christmas tree, but, for the time being they will have to make do with a natural green one. We do not have golden ones yet. I would love to put one in each of their houses. In

any case, my constituents, the majority of them, understand that we cannot afford such a luxury.

• (1700)

Mr. Bean does not tell the truth when he says that he has a hard time preventing violence. He was the first one in the gang to try and knock down the front door below the Peace Tower. I saw him on TV. And there was another guy banging on the door. I do not know if he is Bean's right-hand man, with the strange haircut—you saw him on TV—or if he is a federal government employee. In any case, they were all there after the door like a bunch of squirrels after peanut butter. That makes no sense. They profess non-violence, but they are the first ones to bang on the door. That is really a shame!

[*English*]

The Acting Speaker (Mr. DeBlois): It being 5 p.m., pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CONSTITUTION ACT, 1982

ABORIGINAL SELF-GOVERNMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

> That, in the opinion of this House the *Constitution Act, 1982* should be amended in order to recognize explicitly the right of Canada's aboriginal peoples to self-government, thereby making them partners in Confederation and that this House further urges the governments of Canada, the Provinces and the Territories to acknowledge that self-government requires a viable economic base and calls upon these governments to constitutionally commit themselves to negotiate with the aboriginal peoples an equitable sharing of lands and resources.

He said: Mr. Speaker, this motion asks the House to entrench in the Constitution the right of aboriginal people to self-government. I would reword that. It asks that we recognize the inherent right of aboriginal peoples to self-government in the Constitution. That is the first thing that it asks.

The second thing it asks is that this House further urges the governments of Canada, the provinces and territories to acknowledge that self-government requires a viable economic base. It goes on to talk about land claims and the need for settling land claims in order to complement aboriginal self-government.

When this motion was scheduled for debate I did not know what sort of constitutional proposals the government would release earlier last week, but now I am quite gratified to tell you, and you probably know it, Mr. Speaker, that the government in its constitutional proposal has accepted the principle that the right of aboriginal peoples to self-government be recognized in the Constitution. There were several provisions in the constitutional proposals of the government that deal with this matter.

The government has said that the proposals as written in its document is not written in stone, that they are subject to consultation and revision, but in any case it has accepted the principle.

Because the government has accepted the principle of the proposal I have in my private member's motion, because this party has agreed for some time to the entrenchment recognizing aboriginal self-government, and so does the New Democratic Party, I was hopeful that before this hour ends the House might agree to this motion since all parties agree to the principles lying behind it and that by doing so this House would give some impetus to the constitutional proposals already put forward by the government.

I think it would be laudatory and helpful if the House of Commons of Canada said as a body that it agreed to the recognition and entrenchment in the Constitution of the right of aboriginal people to self-government. All parties have now said that in principle.

I am hopeful, before this debate ends and when government members rise, that they will leave a few minutes at the end so we could simply accept the motion perhaps unanimously. I do not know if anybody now disagrees with this principle.

I should remind the House that similar principles were accepted and tried in the early 1980s when the government of the day, a Liberal government, agreed to call

three federal-provincial conferences to entrench the recognition of aboriginal self-government. Unfortunately the federal government was not able to obtain the agreement of enough provinces to get that matter entrenched in the Constitution. Two of those conferences took place when Mr. Trudeau's government was in power and one of them took place when Mr. Mulroney's government was in power. They all failed to get the seven out of ten provinces representing 50 per cent of the population, so the matter failed.

Now, once again, the Government of Canada has included this in its constitutional proposals, but I would hope that it would have a much greater chance of succeeding this time because a lot of water has gone under the bridge since the early 1980s. It has been about 10 years since those original proposals were made and discussed at a federal-provincial conference. We have had some very sad incidents arising from the fact that we did not recognize the rights of our aboriginal people the way they should have been recognized.

I refer to the incidents which took place at Oka last summer and at Kahnawake on the south shore of Montreal, and there are many other incidents that could be referred to.

I think that the mood today is that there is a greater recognition of the rights of aboriginal peoples. I am hopeful that the proposal that I put forward today and which is included in different words in the government's constitutional proposals will be agreed to and entrenched in the Constitution.

As far as I am concerned all of this started with me personally when I was a member of the special committee on Indian self-government which sat and worked in this country at the very beginning of the 1980s. That committee broke a lot of new ground. It was the first parliamentary committee which included as *ad hoc* members representatives of the national aboriginal organizations. The Assembly of First Nations appointed a member, Roberta Jamieson, who now holds a high position in the Government of Ontario. There were also representatives from the Native Council of Canada, from the Métis National Council, and from the Native Women's Association of Canada.

These aboriginal representatives appointed by their own organizations sat with our committee, had all the rights and privileges as members of the committee, except that they had no technical voting rights.

• (1710)

They questioned witnesses as members of the committee did. They participated in the discussions leading to the adoption of the report. Mr. Speaker, when the time came to vote on the recommendations of that report dealing with aboriginal self-government, we decided not to adhere to strict technical votes, but to adopt recommendations by consensus which included the consensus developed with the help of those representatives from the aboriginal associations.

That committee, of which I was a member, made very strong recommendations for the recognition of the right to aboriginal self-government in the Constitution. Mr. Speaker, I and others have been promoting this concept for years with, of course, the backing up of the aboriginal associations themselves, which have been first and foremost in this struggle.

Every time the matter is raised, there are members of Parliament or senators—not all—and members of the public and the press, who ask: Well, what does aboriginal self-government mean? Does it mean we are going to have 15 or 20 or 30 separate independent countries within Canada? Are they all going to have the same powers, or different powers?" And so on, and so on.

They have either voted against it or opposed the idea because they said it was not clear enough. Well, let me point this out. Although various aboriginal associations in Canada point out that they have had the right to aboriginal self-government for thousands of years, they want to exercise that right within Canada, within Confederation. I have been at many meetings where their representatives have argued that while some provinces and some groups in Canada are undertaking movements to get out of Canada, they want to be fully included but represented as groups. They want to be part of Confederation, but equally and able to maintain their inherent and historic rights.

We are not talking about, at least for most of the aboriginal groups that I have talked to, of people or associations or First Nations that want to separate totally from Canada and live independently. They want to exercise certain basic powers, often with respect to social

policy, economic development, justice, education, health care and other matters that directly touch their people and with which they have been dealing for generations.

In contrast to the concept of the policy of aboriginal self-government, we have the Indian Act, a vestige, I must say, of 19th century imperialism and paternalism. Here we have a very old Act which was passed and which was administered by governments of all stripes at the federal level, and not the NDP, because they have not formed a government, but Conservative and Liberal governments, which in fact was an act which allowed the non-Indian population of Canada, the white population, to run affairs for—

The Acting Speaker (Mr. DeBlois): Order, please. I apologize to the hon. member for this interruption, but I ask the co-operation of other members because the Chair cannot hear and understand the speech being delivered.

Mr. Allmand: Mr. Speaker, I want to thank you for that intervention. I would hope that the members of the House would give more attention to this important subject which, as I say, is not only discussed very widely with our aboriginal people, but it is also now one of the key proposals of the government's constitutional package.

I was saying that the Indian Act was an act which set up an administration basically of non-Indian people, the so-called white population of Canada, to run the affairs of the Indian people, a clear case of imperialism, of colonialism, of paternalism. It has carried on until 1991.

Now, it is true that for about the last 20 or 30 years there has been a certain devolution. The Department of Indian and Northern Affairs, of which I was a former minister, has handed over some of those powers, not legally or constitutionally, but administratively, to the bands. So there are many bands that now run their own programs of education, health and social services and so on. They in fact run those matters but their right to do so is not recognized in the Constitution, nor has the Indian Act been basically changed which takes that right away from the federal government to do so.

I think the first thing we have to recognize is that in 1991, as we near the end of the 20th century, the Indian Act is an anomaly. It is totally out of place in a modern world that one group of people should be running the lives of other people. I can account for you the silliest and craziest examples where officials in Ottawa had to approve the widening of a road by two feet on a reserve in Saskatchewan. I mean, how ridiculous. Although passed by a certain band council in Saskatchewan, they had to come all the way to Ottawa for approval. It sat on somebody's desk for months and months before it could be done. One could tell of many, many other silly examples.

In any case, we have to get rid of the Indian Act. We have to continue for the time being transferring programs to the bands as they see fit to take them on, or to tribal councils. In many cases the bands have joined together and formed tribal councils which allow them greater scope because they are bigger, have more resources, more people. They have regional high schools and so on, with respect to these tribal councils.

I also want to mention that certain Indian nations, such as the Sechelt in British Columbia, have already had a special act passed which recognizes their right to self government. I think we should also recognize that now in the Northwest Territories, in the territorial government, the majority of people in the Northwest Territories who are aboriginal people are in control of that government, and that is a good thing as well.

Again, I want to point out that the aboriginal nations of Canada existed in this territory which is now called Canada for thousands of years. I don't know the exact period of time but anthropologists and others say it was for thousands of years. They did that as many nations. There were Cree nations, Mohawk nations, MicMac nations, Montagnais and Blackfoot and so on and so on.

They had their own languages and their own cultures, their own traditions. They had their own laws, their own systems of government, their own economies. When the Europeans came in the 16th and 17th centuries and made contact with these aboriginal nations, in some cases they signed treaties, treaties to govern the relationships between the aboriginal people and themselves. In other cases they didn't sign treaties but they simply pushed them off the land. These people who acted as their friends in many cases, when the Europeans came, were sort of pushed aside after the Europeans, both the English and the French, found their way over here. One could say the same about the Spanish in South America. They simply set them aside and treated them as second-

class citizens or not as citizens at all, or not even as human beings in many cases.

The point of the matter is that these aboriginal nations never gave up their right to self government. They never recognized in any treaty that I know of that they were ceding to the British and the French colonial powers the right to govern them. nor did they transfer in most cases their lands. That is the basis of the land claim settlements. In certain treaties there was a recognition of settlement of lands, but in many there was not, and in many parts of Canada there are no treaties whatsoever which deal with these matters.

So, the aboriginal people have retained their right to self government that they always had as nations on this continent. They retain the moral right to those lands that they occupied and now they are saying to us "We want you to recognize those rights in the Constitution". I am in this proposal today saying that we should recognize those rights in the Constitution. I understand that the government is saying the same thing in the constitutional proposals that it put forward a week ago. That is the basis of my argument with respect to the first part of my resolution.

• (1720)

The second part says, as I stated at the beginning of my remarks, that if you are to have self-government you must also have a viable economic basis and consequently, we should commit ourselves in this Parliament to negotiate with aboriginal peoples an equitable sharing of lands and resources, based on the lands and resources that they used and occupied before the Europeans came three or four centuries ago.

Once again, I do not want to take up too much time. As I say, I first put this motion to previous Parliaments years ago, and I have been putting this on the Order Paper year after year. That is why I am gratified to see the movement in the country and the movement among political parties. There seems to be great agreement on these principles today. I would hope that this year will not pass without the entrenchment of aboriginal self-government or the recognition of aboriginal self-government in the Constitution of Canada. I would hope that we would give impetus to that movement for entrenchment by agreeing to this resolution in this House today.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, I appreciate the opportunity to rise and speak on this very important matter as Parliamentary Secretary to the Right Hon. Joe Clark, the Minister responsible for Constitutional Affairs.

The question of aboriginal rights, in particular, a right to self-government and how it should be recognized in the Constitution, is not a new one. Section 35 of the Constitution Act, 1982 recognizes and affirms the existing aboriginal and treaty rights of the aboriginal peoples of Canada. There have been quite divergent and varied interpretations of the nature and scope of these rights.

This government is serious about constitutional change for aboriginal peoples, including the entrenchment of a justiciable right to self-government. The Minister responsible for Constitutional Affairs, assisted by the Minister of Justice, the Minister of Indian Affairs and Northern Development, and the Minister of State for Indian Affairs and Northern Development, is devoting much of his time to this important matter.

This summer, at a meeting in Morley, Alberta, Mr. Clark reached agreement with the chiefs of the Assembly of First Nations on what has come to be known as the parallel process for aboriginal constitutional consultations and negotiations. Since then, the minister has met with the leaders of the Native Council of Canada, the Inuit Tapirisat of Canada and the Métis National Council who have established similar consultative structures to seek the views of their respective constituencies.

Section 37 of the Constitution Act, 1982 provided for a constitutional conference of first ministers, to which aboriginal representatives would be invited, to identify and define aboriginal rights to be included in the Constitution of Canada.

Two conferences were subsequently held, one in 1983 and another in 1984. By the time of the 1984 conference, the entrenchment of an aboriginal right to self-government had emerged as the primary objective of the aboriginal participants.

For aboriginal peoples, a right to self-government would reflect what is in their view the historical reality, and it would provide a secure foundation upon which a better future could be built—a future that they themselves and their children would shape.

On June 21, 1984, the section 37 process was formally extended through proclamation of the first "made in Canada" amendments under the amending formula set out in the Constitution Act, 1982. Among other things, these amendments provided for two more first ministers' conferences on aboriginal affairs—one before April 17, 1985, and another before April 17, 1987.

[*English*]

The Prime Minister opened the 1985 First Minister's Conference with the following remarks: "As a Canadian and as Prime Minister, I fully recognize and agree with the emphasis that the aboriginal people place on having their special rights inserted into the highest law of the land and protected from arbitrary legislative action."

Constitutional protection is an over-riding objective because it is the constitutional manifestation of a relationship and unbreakable social contract between aboriginal people and their governments. An unprecedented level of consensus was reached at the 1985 conference.

At one point, agreement appeared to be very close on a federal draft proposal modified by Saskatchewan which became known as the "contingent right approach".

Seven provinces appeared to be ready to support this proposal if the aboriginal association at the table agreed. The Assembly of First Nations and the Inuit Committee on National Issues however felt that they could not support the Saskatchewan proposal.

After that conference, the federal government worked hard to re-establish a positive climate for the discussion and negotiations. It stated that despite the failure to achieve consensus on the self-government amendment, it would proceed with negotiations on practical self-government initiatives within the existing constitutional framework.

It was hoped that the practical examples of self-government developed through these negotiations would help to build consensus in the constitutional forum.

Some provinces had been hesitant to agree to the entrenchment of a right to self-government without first knowing more about what it would involve. Considerable discussion took place between the 1985 First Ministers' Conference and the 1987 conference.

Five multilateral meetings were held at the ministerial level. Seven were held at the official's level and bilateral discussions continued throughout this period.

[*Translation*]

The draft amendment that the federal government put forward at the 1987 First Ministers' Conference was a progressive proposal. It would have provided explicit recognition of a free-standing right of aboriginal peoples to self-government. The jurisdiction, legislative powers, proprietary rights, and other powers, rights and privileges of bodies or institutions exercising the right to self-government were to be defined through agreements.

This proposal would also have entrenched a commitment by the Government of Canada and provincial governments to negotiate agreements relating to self-government. Such negotiations could relate to any matter respecting self-government, including, where appropriate, jurisdiction, powers, land, resources, funding and preservation and enhancement of native languages and cultures.

The 1987 federal proposal would have provided for the self-government rights set out in agreements to be deemed treaty rights for the purpose of section 35 of the Constitution, where legislatures approved. In other words, these rights would have received constitutional protection.

Unfortunately, Mr. Speaker, this proposal, or any other on the table at that time, did not secure sufficient support among provinces and aboriginal leaders to proceed with a constitutional amendment. With that conference, the formal, multilateral aboriginal constitutional negotiations provided for in section 37 of the Constitution ended.

After the 1987 conference, the federal government maintained its interest in aboriginal self-government. It continued to pursue self-government negotiations within current constitutional arrangements. Ministers also met many times with aboriginal leaders to discuss what prospects there might be for further aboriginal constitutional discussions in the future.

The companion constitutional resolution to the Meech Lake Accord would have reinstated an entrenched process of first ministers' conferences on matters of interest to the aboriginal peoples of Canada. Had the Meech Lake Accord been ratified by all provinces, the first such conference would have taken place this year.

The government acknowledged that there was an unfinished agenda with respect to aboriginal constitutional reform. Today, Mr. Speaker, we are in a period wherein we face serious challenges as a nation.

We are being called to work toward a Canada that better reflects who we are as a nation, and what we aspire to be. Consideration of Canada's future must include a review of the fundamental place and role of aboriginal peoples. As the Prime Minister stated in his address to the First Nations Congress on April 23, 1991 in Victoria, the views of aboriginal leaders, communities and individuals from across Canada will be fully considered as the government proceeds towards building a stronger Canada. Clearly, Mr. Speaker, it is the wish of the majority of Canadians, aboriginal and non-aboriginal, that this issue be resolved now.

Mr. Speaker, the proposals tabled in this House by the Prime Minister on September 24 demonstrate the commitment of this government to follow through on the extensive work which has recently been done.

The first step, of course, is to assure aboriginal peoples of participation in the current round of constitutional discussions.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I would like to thank my colleague from Notre-Dame-de-Grâce for introducing this motion at a very appropriate time.

I regret that the member who just spoke did not indicate that the government would be supporting this motion. I think it would have been helpful because it is basically support for a principle that is already included in the government's constitutional proposals. I believe it would have been helpful for the government and the Minister Responsible for Constitutional Affairs to go out to the people of Canada with the endorsement of Parliament against this resolution, to support the constitutional proposals that have been made so that he would have Parliament's sanction for his negotiations with aboriginal people and with provinces and other interests in this country who would like to see some improvement in the relationship between Canada and its aboriginal people.

I would like to congratulate the member who presented the resolution. The key word in the resolution is the recognition of aboriginal rights to self-government. In the view of many constitutional experts aboriginal people have an inherent right, not a right to be granted by this Parliament or by this government, not a right to be delegated by this Parliament or this government to aboriginal people, but they have an inherent right. It is a right that inheres in the fact that they are the aboriginal nations who preceded European contact on this continent.

By the time Europeans arrived here they had already established organized governments based on family, tribal and clan structures. They had the power to make and enforce laws against their own people and to test those laws by whatever methods of adjudicating they had.

In the same way, like any other sovereign nation, they had the right to organize economies and to trade and become involved in trade beyond their own nations. They had the right to prosecute wars and to treat for peace. They did those things in very much the same way that other sovereign nations engage in making peace through the treaty-making system.

Of course, the treaty-making system is a system that is followed to obtain agreements between two sovereign nations. You do not sign a treaty with a group that is internal to this country. You sign a treaty with a nation that has recognized sovereign status.

It is interesting that when the first Europeans came into contact with aboriginal nations in North America, they generally approached them by signing treaties of peace which regularized the form of contact and relationship between the two nations involved.

Unfortunately, as time passed on the North American continent and as the European settlers and settlers from outside North American began to overrun the continent in terms of population, the treaties were forgotten. The aboriginal people were shifted toward the margins of society and became like any other colonized people around the world. They lost their right to be recognized as sovereign countries or, I should say, their right was ignored by the European groups that overran their societies. Those aboriginal people never ever gave up their sense of having that sovereign right and of being independent nations, having the right to enter into treaties with the European societies that overran and established their own governments in the continent of North America.

In fact, after those treaties began to be ignored by the Canadian government, we passed a racially specific Indian Act in order to designate who Indians were and who had a right to be Indians. This gave the federal government the virtual power of life or death over aboriginal people. We entered into a very shameful era of history in terms of the relationship between our nation and aboriginal nations on this continent.

I do not have to go through the recitation of events that happened in terms of the Canadian government's intent to destroy aboriginal culture either through physical extermination or through the cultural extermination of those people. The residential school system is one way where children were taken away from their parents and moved to residential schools where their parents could no longer have an influence on them. Those residential schools attempted, by a process of physical abuse and humiliation, to try to drive the culture out of those children so that they would no longer be Indian children.

When that aboriginal residential school system broke down back in the 1960s, the provincial governments, which had the right to exert child welfare legislation under the Indian Act on Indian reserves, then began to seize aboriginal children from their parents. They felt that only white middle-class parents had the proper standards and the proper norms to bring up aboriginal children in our society.

As a result of those two systems, tremendous damage was done to Indian children. Tremendous damage was done to Indian families. Tremendous damage was done to the self-esteem of aboriginal people and as a result, many of their communities have suffered virtual collapse.

Today another situation is occurring. As my colleague from Notre-Dame-de-Grâce indicated, aboriginal people are now beginning to take over control of their own education systems. As a result, those systems are now succeeding. Aboriginal people have now begun to take over their own child welfare systems and as a result those systems are now succeeding.

Aboriginal people have begun to take over control of their own communities and have begun to enforce the law in their own communities and to establish standards of social behaviour in their own communities. As a result, they are beginning to beat the problem of substance abuse, violence and those kinds of things that have affected many aboriginal communities over the years as a result of the impact of our residential school system and the imposition of our child welfare system on aboriginal communities.

So we have two things working here. We have noted that aboriginal people have been extremely successful governing themselves. They can be successful in education, successful in child welfare, successful in running their own communities, successful in economic development, successful in post-secondary education when we do not try to look over their shoulder and tell them how to do it and try to set our model for how they should govern themselves.

But I think the issue here, Mr. Speaker, is the issue of the right to self-government. This is a right that we have to recognize. It is not a right that we can delegate. It is not a right that we can give to people. It is a right that they have had on this continent since time immemorial and was never taken away from them by conquest or by any legal transaction.

I support this motion. I congratulate the member for bringing it forward and I hope that the government will acknowledge that it goes along with the proposals that it has made in the constitutional proposals that came down last week. I hope that this Parliament can unanimously support this resolution so that the government will have our sanction to go out and negotiate with aboriginal people and with the other players in the constitutional debate. We can then achieve something that all Canadians can be proud of in terms of the way that we relate to aboriginal people on this continent.

• (1740)

In winding up I just want to quote the Minister responsible for Constitutional Affairs: "The failure to recognize the rights of aboriginal people to self-government weakens our whole country. Recognizing that right will make our country stronger". Let us get together in this Parliament to support the statement made by the minister responsible for the Constitution, make our country stronger, and improve our reputation around the world by supporting this motion.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the opportunity to report on this government's record on aboriginal economic development is really quite timely given the recent constitutional proposals which focus largely on developing a new partnership for prosperity.

Canada has much to gain from improved aboriginal economic activity, not just in better aboriginal social conditions, but in realizing our national goal of partnership for prosperity.

A fully participating aboriginal labour force would produce a dramatic and positive effect on Canada's fiscal position as well as bringing about employment and wage parity between aboriginal and other Canadian workers, a goal which I am sure everyone in this House would support.

Economic self-reliance is an integral part of the foundation for aboriginal self-government. Economic self-reliance and self-government are two sides of the same coin. One cannot work without the other. That is why this government has strengthened the many programs and strategies to help develop strong and diversified economies in aboriginal communities and marketable skills among our aboriginal workers.

We have done this in partnership with aboriginal people by ensuring that they have the tools and decision-making powers over federal economic programs to manage and develop their own economies in accordance with the wishes of their communities.

First and foremost among our success stories is the Canadian Aboriginal Economic Development Strategy, CAEDS. This innovative program was launched just over two years ago and in this short time significant gains have been made: one, with aboriginal businesses and community leaders, a strong aboriginal controlled development capacity has been put in place through community based aboriginal capital corporations; two, more than 780 new aboriginal businesses have been launched, including gas stations, grocery stores, motels, wild rice processing plants, shopping plazas, and an airline; three, 24,000 aboriginal people have participated in federally funded skills training programs; four, significant agreements have been reached with provinces on forestry resource access and with the private sector on employment and contracting through CAEDS assisted resource access negotiations.

My colleague, the Minister of Indian Affairs and Northern Development, will shortly be tabling a full report to this House on these achievements which are being led by three departments, Indian Affairs and Northern Development; Industry, Science and Technology, Canada; and the Canadian Employment and Immigration Commission.

Indian Affairs has the lead in the community economic development and access to the resource component of CAEDS. In addition as part of its statutory responsibilities the department has prepared an inventory of available mineral resources on reserve lands to assist Indian bands in determining the feasibility of further exploration.

Similarly, Indian Oil and Gas Canada was created to optimize the royalty benefits from oil and gas resources on reserves.

It is continuing to work and to improve the services it provides to the Indian bands to help improve the reserves of oil and gas.

Through the Department of Industry, Science and Technology, that department plays the lead in the business development role by providing contributions to businesses for start-up and expansion, and by ensuring $160 million capital base is available to aboriginal capital corporations to provide a source of debt equity to aboriginal businesses.

These native-run loan companies already provide credit and related services to nearly 50 per cent of aboriginal communities. In 1990-91 Employment and Immigration spent more than $139 million as part of its Pathways to Success program to provide training and services to approximately 24,000 aboriginal clients, half of whom have turned that training into jobs.

This year target spending has increased to $200 million. With federal assistance, there are currently more than 92,000 aboriginal people with post-secondary education qualifications and more are coming onstream all the time.

All of these endeavours are providing aboriginal individuals and communities with the means to become economically self-reliant. This is being done by aboriginal people taking control of their own economic development at the grass roots level.

This bottom-up approach through CAEDS empowers aboriginal communities to build the expertise, the organization and manpower needed to solve their own problems. The federal government is also embarking on an aboriginal work force participation initiative to open up more labour market opportunities to what is rapidly becoming a highly skilled, well educated aboriginal work force.

Under this initiative, federal departments will improve the retention and the promotion of native people within the federal Public Service. It will also strengthen entry level programs for aboriginal post-secondary graduates, improve contacts with aboriginal organizations to identify prospective job applicants, and use summer training courses and work experience more extensively with aboriginal students to introduce them into the Public Service.

It has to be clear to my hon. colleague that not only are we delivering on the promises we made one year ago with this program when the Prime Minister did unveil the native agenda, but with our new Partnership for Prosperity initiative, the government is also continuing to take action and will produce even better results to improve the socioeconomic conditions of native people.

Our Partnership for Prosperity urges all levels of government and the private sector to do their part to ensure greater economic harmony with our aboriginal people, and we all can share in that.

We are enjoying co-operation from the government of the Northwest Territories. Last summer my colleague, the Minister of Indian Affairs and Northern Development, signed a $38.5 million economic development co-operation agreement with the territorial Minister of Economic Development and Tourism.

The accord provides funding for initiatives in the areas of cultural industries, community-sponsored development, minerals, agriculture, wildlife harvesting and fisheries. I know this initiative will work toward achieving a self-supporting, economically stable environment for our northern colleagues.

The key to success of all these ventures is that they are based on the advice given by aboriginal people. We consult with the aboriginal people and we will listen. We agree with them on how we can work together and follow their lead.

More skilled and more educated workers are coming onstream. Hundreds of new businesses and hundreds of new business ventures have been launched.

• (1750)

Aboriginal administrators are assuming greater control over their social and economic development in their communities. Here is the proof that partnerships result in real progress. This breakthrough has come about because our government is determined to develop a program. We want to take our policies and through devolution recognize that community leaders who are well versed in the needs and goals of their own members can best design and best deliver programs for their own people in their own communities.

At last count more than 72 per cent of all DIAND program dollars was being administered by Indians and Inuits through various funding arrangements. These agreements give communities the flexibility they need to apply those funds as they see fit to the priorities that they determine and their membership determines.

In the near future, Indian nations will have greater legal authority to assume authority over even more than their own affairs. Working groups of chiefs are currently developing proposals for legislative alternatives to the Indian Act which will deal with the areas of Indian moneys and taxation among other things.

The new powers accorded under this legislation will allow bands to determine their own economic destiny, and so they should.

Bill C-115 was the first Indian-led change to the Indian Act. It clearly established the authority of band councils to tax all interests in reserve lands. The new powers provided under this legislation allow bands to

establish a tax base and generate revenues which can be used in pursuit of their own community development.

The Minister of Indian Affairs and Northern Development is working with Indian taxation advisory boards. He is working to effect the results so that growing numbers of bands, such as the Westbank, Kamloops and the Musqueam Indian bands of British Columbia, will all have formal powers.

I must say that my colleague from Notre-Dame-de-Grâce has put forth a fine motion and it is very timely. I think much more needs to be done. We look forward to the discussions on the proposals over the next few months. The aboriginal people can certainly count on our support.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I also would like to thank the hon. member for Notre-Dame-de-Grâce for introducing this motion tonight. It is of utmost importance because aboriginals were the first citizens, or should I say the first inhabitants, of this country. They have been here for thousands and thousands of years. They have never been recognized as such. They also have never been recognized as a founding nation. Instead they were enticed into signing treaties which created ghettos, which we prefer to call reserves.

Aboriginals never gave up their rights to self-govern. This is why the principle today has reached its maturity, but it could not be accomplished unless economic aid comes with it. One must remember that in isolated communities in particular unemployment hovers around 90 per cent. Chances for investment are not really good as most of those First Nations communities are remote and isolated. Training programs could be of some help if some permanent jobs would follow afterward.

It is a great time also because of the prejudice and the racism that exist in our justice system for First Nations communities to administer their own. One thinks readily about the Navajo nation in southwestern United States which does have its own justice system and which works extremely well according to its own values.

Turning to the area of health, it is a shame that upon visiting reserve after reserve the sewer and water systems are so deficient that one would think one was in a Third World country. It is a bloody shame that Canadians do not put up the necessary funds, that this government would not put up the necessary funds to modernize the sewer and water systems in first community nations.

As paradoxical as it may sound, teachers' residences and hospital are connected to the sewer systems but not the residences of the natives. It is not unusual to see on a reserve two or three miles of sewer and water lines all around the village, but no one is connected to it except hospitals and teachers' residences.

In the area of education, the number of dropouts is unacceptable as education is the base for future self-government. The future chiefs need to be educated. They need to be educated in their own culture in their own communities, because the culture shock they face when they are studying in "white high schools" is incredible. This is why the number of dropouts is increasing dramatically, which leads to other social programs of course.

The Indian Act needs a motor job, a total overhaul: that is motor and chassis and everything. It is high time that modern rules and regulations and laws apply to the first inhabitants of our country. This includes the Prime Minister's new proposal where he suggests that Indian self-government should come within 10 years. That is far too much time. All those years of begging and pleading with successive governments for improvements are finished. It is quite understandable that aboriginal peoples all across Canada are crying for help, and it is totally justified if you see some of those reserves.

Therefore, by accepting this motion, the Government of Canada would send out a signal that the first nations are accepted as a full-fledged partner of this Confederation.

Mr. John E. Cole (York—Simcoe): Madam Speaker, I would just like to add a few comments to what has already been said here today, but particularly to commend the hon. member for Notre-Dame-de-Grâce for bringing this motion forward. I think it is a very sensitive and very critical issue at the present time. I think it is something that we as citizens of Canada have recognized. We respect the member's particular views as he has outlined them in this particular motion.

I think it is also recognizable that the government in its proposal has brought these same things forward, and I think that is very important. It is this government that has been dedicated and made a strong effort to resolve as many of these problems as can be resolved in as quick a time as possible. I do not think there is any denying that aboriginal peoples need to have their rights and their reality reflected in the Constitution of this country. No other group of Canadians has had to fight to defend rights that are as intrinsic as their heritage.

One of the most basic principles of democracy, the right and responsibility to control one's affairs, has eluded native people. It is wrong. It is unjust and frankly we must change it.

Common sense dictates that aboriginal people know best how to help themselves. That is the direction we are going to have to go in the future. The powerlessness they feel now leads to their helplessness, and that is not constructive for anyone.

• (1800)

There have been a number of initiatives brought forward by this government. I think it is very important that they have been outlined by different speakers here today. Because I do not have much time left, I would just like to comment on a couple of these things.

In consideration of consultations with regard to the constitutional proposal presently before the Canadian public, it ensures that aboriginal people will participate in the current constitutional deliberations. In fact, as an example, the band administrator in my riding from the Chippewas of Georgina, Mr. William McCue is sitting on my local constituency group studying the constitutional proposals. He is sitting there as a Canadian, as a person who wants to build a better place and a better country. I am very proud of that fact, and I know Bill is very proud of being involved in that process. That is why we want to continue with that kind of co-operative type of development.

There are many examples that the federal government has taken. The approach is very different and we recognize that, but the very real needs of aboriginal people in every corner of this country must be addressed on an individual basis. Each claim settlement is unique. Each must reflect the needs and the aspirations of the unique community that it serves.

It cannot just try to use a blanket statement. That has been tried too often in the past and is not going to work in the future. This government is committed to negotiating settlements that will ensure that land and resources are managed in an orderly manner with the support of all Canada in a way that strengthens the entire nation.

This is what we can and must do. It is essential to complete the circle of Confederation so that all Canadians, whether they be native or non-native, can call this Canadian House their home.

Mr. Milliken: Madam Speaker, I rise on a point of order. I understand that private members' hour has come to an end, but I think you will find a disposition to deal with two other items that are on the Order Paper under the rubric of Private Members' Business. First, Bill S-3, standing in the name of the hon. member for York Centre, could be dropped to the bottom of the list of precedents by unanimous consent. I would suggest that it remain there until the hon. member is here to proceed with the bill, in which case it will be proceeded with through all stages on the day without taking up an entire private members' hour.

I believe you will also find is unanimous consent in the House now for the hon. member for Saskatoon—Humboldt to proceed with Bill S-4 through all stages.

[*Translation*]

Madam Deputy Speaker: I think we should first finish Private Members' Business and the motion of Mr. Allmand, and I will then get back to the point of order.

The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

I will now recognize the hon. member for Laval-Est, on a point of order.

Mr. Della Noce: Madam Speaker, perhaps the clerks have already brought this to your attention, but I was finishing my speech and I had four minutes left. I would appreciate having those four minutes to finish my speech. I was told I could do so at 6 p.m., and the clerks

confirmed this. I don't know whether you were told about this, but I still have four minutes.

Madam Deputy Speaker: The hon. member will certainly have an opportunity to finish his speech. According to the Chair, he still has five minutes, plus a ten-minute period for questions and comments following his speech. The House is now being asked for unanimous consent to expedite a private bill received from the Senate, which means that all stages of the bill could be passed in a few minutes, provided there is unanimous consent. After that, the hon. member will be able to continue his speech.

[*English*]

Mr. Nowlan: Madam Speaker, first, I do not know what the devil the bill is. I am prepared to go along with it, as long as it is not going to take time away from the normal debate that would have taken place if this had not come in between. That is what I do not know.

I have been round here long enough not to assume a thing. You may say it is two or three minutes and it may be three or four minutes and all of a sudden it gets to be fifteen or twenty minutes. Already I have taken over half a minute. Therefore I am going to sit down.

On that basis I will agree to give consent. I was not proper this afternoon on a point of order when I said: "Forget the Scots". I meant to say: remember the Scots who are independent, remember the Irish who are independent, but make sure you remember the Independents.

Madam Deputy Speaker: It has been asked that Bill S-3 be dropped to the bottom of the list and be presented when the hon. member for York Centre who is not here today returns. We can deal with it after that.

Bill S-4 is standing in the name of the hon. member for Saskatoon—Humboldt. This is the one for which I was asking if there was unanimous consent.

Is there unanimous consent for the hon. member's suggestion and to refer the bill to Committee of the Whole?

Some hon. members: Agreed.

* * *

UNIVERSITY OF EMMANUEL COLLEGE ACT

MEASURE TO AMEND

Mr. Stan J. Hovdebo (Saskatoon—Humboldt) moved that Bill S-4, an act to amend the act of incorporation of the University of Emmanuel College, be read a second time and, by unanimous consent, referred to Committee of the Whole.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Hovdebo moved that the bill be concurred in.

Motion agreed to.

Mr. Hovdebo thereupon moved that the bill be read the third time and passed.

He said: Madam Speaker, this bill is kind of a phoenix bill. It was passed by the Senate in the last session as Bill S-20 but died on the Order Paper in this House. It was passed again by the Senate and has been brought forward at this time. It is a very technical bill, very much of a housekeeping bill.

• (1810)

Emmanuel College was established in Prince Albert, Saskatchewan back in 1879 and chartered by the Parliament of Canada, 1883. The charter has been updated a couple of times since. The senate of the University of Emannuel College wants a further update of it and that is what this bill is about.

It is very interesting that the original charter of Emmanuel College was the University of Saskatchewan, but in 1909 when the University of Saskatchewan was established by the province it forfeited that name and became Emmanuel College. It is the college established by the Anglican Church of Rupertsland.

Motion agreed to, bill read the third time and passed.

GOVERNMENT ORDERS

[*Translation*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C–29, an Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto, be read the third time and passed.

Madam Deputy Speaker: Resuming debate on the motion for third reading of Bill C–29. The hon. member for Laval–Est.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Madam Speaker, this will be the conclusion of the speech I started earlier today.

In concluding, Madam Speaker, I would like to say that, as I said earlier on in my speech, Mr. Bean was a very good administrator. He did what he had to do. As reported in the *Toronto Star*, he did something he had to do, but it wasn't easy. It meant cutting 20 positions, cutting $1.8 million in his budget, and so forth. All this is good management, but he was unable to save those 20 jobs.

In fact, there is a problem with union democracy, if one can use that term. People come and tell me they want to negotiate. That is all they want. They say they want to negotiate, but they don't know Mr. Bean walked away from the bargaining table. Union members don't seem to be aware of this. We have a problem here. They want to bargain, and they wonder why we aren't bargaining. They say it's all the government's fault. As I said earlier, it is always the government's fault, whatever happens.

If the Olympic stadium in Montreal is falling to pieces, it's Brian Mulroney's fault. That is the easy way out. I say Mr. Bean is not keeping his members informed. I say that Mr. Bean may be a good administrator, but he is not the right person to keep his people informed. People simply don't know what is going on. Maybe Mr. Bean wants us to do in the public service what he did when he cut positions at union headquarters. For all I know, that may be what he wants. If it is, well, 6,000 jobs will be lost, something we as a government cannot tolerate.

Our listeners must realize that Mr. Bean left the bargaining table without responding to our offer. He decided to give his union's response through the media, by going on strike. His members are not getting the whole story. I would like to say to our listeners that the wage freeze also applies to members of Parliament, ministers, the Prime Minister, Deputy Ministers, and senior management in the Public Service. I am sure a lot of people will be glad when they realize the salaries of politicians have been frozen as well.

Madam Speaker, in concluding, it is really too bad when 200 people barge into my office uninvited and take over my office and my staff. I have two employees who do more than is humanly possible. So these people, whose manners leave something to be desired, think they have every right to take over my office. They are on strike, so they can do anything they like. Well, I repeat, I will never give in to intimidation. I will never give in to blackmail or lies, because these are the people who asked me to be strong and honest and work very hard for their sake.

It is not always easy to say yes, and I think that the greatest gift I can give my people is honesty. And I am sorry to see, Madam Speaker, that those of my constituents who think that we are to blame were not informed of the facts by Mr. Bean. I think I have drawn an accurate picture and one as complete as possible. I hope that the people will believe that what I said is the truth and that they will shake that bloody myth of strikes being caused by our giving $80,000 in bonuses. We hear it every day. It is a myth that is being created. That is not the problem. They had bonuses before and there will always be bonuses. Bonuses are not a bad thing, but we have to freeze them. And they will be frozen because there are people earning $300,000 or $400,000— How much does the chairman of Petro–Canada make again? Five or six hundred thousand a year? Yet, he gets an $800 bonus every time he chairs the board. What do you expect! I agree with my colleague that it is too much, but in the private sector, the president of Imperial Oil earns that much and that is the way things go, that's competition. Maybe he too is getting too much!

So, here is what I tell my colleagues, my people and my constituents: we must look at both sides and avoid making the same mistake as the president of the union, Mr. Bean, i.e. cutting jobs to give a 3 per cent raise instead of zero per cent. We must be honest. These

things must be said. There is nothing better than dialogue with both sides telling the truth. I was almost intimidated into telling lies today. But I will never give in to blackmail. I will never accept to change my tune just to win a vote.

I would have preferred to do without emergency legislation. I was proud, last week that we had come to an agreement. I even put out a release. It will be remembered. Verba volant, scripta manent, as the proverb goes. Unfortunately, he quickly left the table. We cannot be blamed for that! I told our guys, our employees: "You deserve better, you are working people and you do an excellent job in members' offices. We need you. But the truth of the matter is that we are all in the same boat. There is a zero per cent increase across the board." Our financial needs are increasing. I gave the example of my son at University and others as well.

In closing, Madam Speaker, it is a fact that, whether you are a member of Parliament or a civil servant, if our salaries are frozen, our financial burden gets heavier. Children's education, transportation, fuel, everything costs more. But it might all be for the best, and I tell my people: "Bear with us. You will see that we are doing this not for the short term but for the long term."

[*English*]

Mr. Stan Keyes (Hamilton West): Madam Speaker, I have a question for the hon. member for Laval East.

Maybe the constituents of Laval East do not have the full story. I want to tell the member for Laval East that Canadians are not stupid, that Canadians are well informed. They know that this government, with its high interest rates, high dollar policies and 33 new tax increases since September 1984, is the source of inflationary pressures. They know that taking purchasing power away from consumers will only deepen and prolong the recession. They know that the Tory government intends to impose a freeze on federal Public Service wage increases for 1991–92 and an annual 3 per cent limit on federal Public Service wage increases over the next two years. They know the Tory government is encouraging provincial and municipal governments to impose similar wage controls. They know that wage controls in the public sector inevitably limit wage settlements for all Canadian workers. They know that there is no flexibility when a limit on wage increases is imposed on everyone, whether a clerk, a deputy minister or a president of a Crown corporation.

They know in Laval East and everywhere else in this country that the Conservative federal government is prepared to take away the collective bargaining rights of workers across this country, threaten them with job losses and contracting out, interfere with conciliation and arbitration, and legislate employees back to work. They know this government is being unfair.

I want to ask the member for Laval East: Does he think Canadians know these facts?

• (1820)

Mr. Della Noce: Madam Speaker, I do not know how to explain to this member more than the others. If they were informed, how come I asked my people to send to me in writing what they would like to have from us?

They said: "We would like to negotiate as normal human beings". I said: "Good, see Mr. Bean but you have a problem. Mr. Bean did not inform you that he quit the table". I do not think they were informed of everything.

When they got the information, because of the fact that they listened a lot to the opposition, they do not get it exactly or the phrase is cut before the end. That is what embarrasses me. I try to be honest and tell them the truth. I have nothing to lose by telling the truth. This is what I want to tell my hon. friend. We did not take away anything. The provinces got the freeze by legislation. He would not negotiate. We are not so bad. We negotiate.

Look what happened in New Brunswick. They promised an increase and after the election they pushed the legislation through and that was it. That is nice.

Canadians are not dumb, but they are not well informed. It depends on who gives them the information. As far as I am concerned on this side, I will give them the right time and I will not change my mind just to win a vote.

This is what is in my mind and heart. I hope people will understand that on election day. If they do not, they will regret that.

Mr. Sid Parker (Kootenay East): Madam Speaker, I too would like to ask a question of the member for Laval East with regard to his speech.

He seems to have identified Mr. Daryl Bean as being the problem. I want to tell the member for Laval East, as a member of Parliament from British Columbia, that British Columbians know how trade unions operate and how certification of a trade union is developed and carried through.

I want to say to the Conservative members from British Columbia that my constituents from my riding and from British Columbia will recognize that there is a very important point being left out by this government.

First of all, they are a recognized, certified union, that has the right to bargain free and collectively with this government. This government has authorized that. They have a legal strike situation on their hands and they are negotiating a package. However, when negotiations break down, people in my part of the country know that mediation is made available. The situation is taken out of the hands of the two combatants, the government and PSAC, and an independent mediator sits and tries to hear both sides.

This government denies that. It denies that mediation approach that takes it out of the hands of the adversaries, hears both sides of the problem and tries to deal with it. No, the government has decided not to allow that to happen. In other words, it is dictatorial.

For the first time in the history of the House of Commons back to work legislation is going to be invoked on workers without an independent mediation officer hearing what the two sides of these issues are.

I want to ask the member for Laval East if he thinks that is going to enhance labour relations between public servants and the Government of Canada. Mediation is a very important aspect of negotiations. This may be the first time in history that we will ever see government bring in back to work legislation without even an arbitrator at the end to look at it and bring in binding arbitration.

As a trade unionist I saw that process take place when the Liberals were in power. At least that process was followed. This is the first time in history that we have ever seen dictatorial policies of a government. When negotiations break down on either side, if either one is to blame, there is an independent mediator that should be looking at the issue.

I ask the member why we are not following that procedure before we bring about dictatorial policies of the government.

Mr. Della Noce: Madam Speaker, I would like to answer immediately, no.

I will not enforce a relation with my people because of something other than the reality, that we do not want to negotiate.

I will ask the member. He can always answer me later. Why did Mr. Bean quit the table? Why did he not take the opportunity, which I thought was gold, last week? Why did Mr. Bean cut 20 people in his staff and give 3 per cent? Why did he not keep the 20 people and keep the zero?

An hon. member: Maybe he is a good administrator.

Mr. Della Noce: Maybe he is a very good administrator. I agree with the member, but he is a very bad communicator. Why does he not say the truth to the people? Why is he not respecting the deal that he signed in the minister's office. The minister is my neighbour next door to me. I saw him going down and saying: "Uncle Minister, we have to do something". We gave him the deal. He spoiled the deal. He ran from the table, not us.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I have listened and I saw him upstairs on television. One of the reasons I came down to the House is because the member for Laval East was his usual very interesting and dynamic personality on TV and I wanted to see him in the flesh.

I would like the hon. member to answer the earlier question without getting back to the table. You know you have got two combatants. My friend has had experience, as he said earlier, the 10 and 20 years he has been in business. That is the whole reason we have conciliation, mediation, procedures, laws, et cetera, admitting that both sides are wrong and/or right and that all the things that were done should have been undone and all the things undone should have been done. The public is fed

up to the teeth. No doubt by leaving the table and going back to the picket lines and all the troubles there have not helped the unions or the Public Service or anybody.

I would not like the hon. member for Laval East to get into all the pluses and minuses of who is right and who is wrong. However, what is wrong with the mediation procedures that are there and all the laws of Canada, both provincial and federal?

Mr. Della Noce: Madam Speaker, I thank the hon. member. He knows what I feel and he knows that I always try to stand up for my people. He made a deal with someone and he cannot even respect his own deal, a golden deal which he signed and was happy with. He even called the minister uncle, uncle Tom or uncle Gilles given the opportunity. He did not respect it. Now they want to negotiate it. What do they want next?

It scares me to deal with people who have no respect and do not tell the truth to their members. That is the bad feeling I had today when I saw 200 people breaking into my office. I feel sorry for these people because I like these people. They have nice jobs and they are doing a good job.

Even if the people think that all public servants are lazy, we have the cream of the crop in Laval. We have the best people. Some of them give me 110 per cent of what they can do. When some quit we see the difference immediately. Some quit and we see a difference; we cannot get our dossier through. We give our word when we make a deal and they do not respect it. They want a mediator or an outside man. We know what we have in our pocket. We do not need an outside man to tell us what to do. We have nothing left. It is empty. There is no more, finished, that is all.

Now the outside man will tell us: "Be a nice guy". We have been nice guys. We tried to give all the other things. We went in the back pocket, in the little pocket, in the inside pocket and came up with $500 for the people who make less than $27,000. It is not a big salary and $500 is a slap in the face, but I know in my area without a job they would take two slaps in the face for $500 each. They would take it on both chins.

This is not the deal that we are going to put on the table for our people for them to tell us that they need a negotiator. Then what will they need? He does not want violence or intimidation. Block the bridge, do not let people into work. I have people in my area who want to work. Do you know what they said: "If you go to work, my friend, we will remember your name. We will write it on the wall".

• (1830)

Is that what we want? I do not like violence. I like negotiation. I like the guy who respects his name on the piece of paper. Somebody says: "It is all Mr. Bean's fault". He signed the paper. He was here knocking on the door at eleven o'clock in the morning instead of being at the table to negotiate. Now he wants a mediator. What is he going to ask for next?

[*Translation*]

Madam Deputy Speaker: I am sorry to interrupt the hon. member but the period for questions and comments has now expired.

Resuming debate. The hon. member for St. Boniface.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I am pleased to be able to stand in this House today and address the bill before us, Bill C-29.

My colleague from Laval East has just spoken with a great deal of passion and he has accentuated the element of truth in this debate. I just want to remind him of the truth.

[*Translation*]

Truth is open to interpretation.

[*English*]

I have every intention to be as truthful as I can be. I ask Canadians who are watching us to decide which of the two sets of truths they feel is the more reliable one. I say this positively, certainly not with any kind of malice in my heart.

There is a pattern here that I think has to be noticed. This government has had a lot of difficulty in managing a number of programs in Canada since it came to power in 1984. It has botched up a lot of things. I do not say that unkindly. Governments do that.

If one looks for example at the F–18 contract which was awarded to a province other than Manitoba, one has to ask what kind of truth there was there. Did truth prevail?

When you look at the closing of the bases and you look at whether those bases were situated in constituencies that had certain members as opposed to others, you have to wonder what kinds of truth prevailed.

When you look at the privatization of Air Canada, you have to ask whether those 3,000 people who are without jobs are better off. Look at VIA Rail; roughly another 3,000 gone. They have no work. What about CN? About 25 per cent less employment since this government has come into power. Ask the workers what they think about that. Look at the CBC cuts. I guess that was really positive as well, was it? Ask Canadians what they think about those CBC cuts.

[*Translation*]

Ask the people in my community, ask francophones outside Quebec what they think about it. Come and talk to them, and you will see the kind of reception you will get!

[*English*]

There are a couple of questions here that I think are extremely important, one of which is the whole notion of legality of a strike. This is a legal strike. There are a lot of people out there who are trying to suggest that it is other than legal. This is a legal strike, but it raises certain important questions. Should the Public Service be allowed to strike? Perhaps that is the question that we ought to be debating. Under what circumstances should it be allowed to strike, or should it not be allowed to strike?

It raises another important question. My hon. colleague referred to it before. What are the appropriate strike activities when a union is in a strike position?

[*Translation*]

I do not condone acts of violence, and I believe I am not alone. I don't like the kind of intimidation that is going on when some workers are told: If you go to work, we will tell everyone. I hate this attitude, and I will do everything I can to stop it. That is a promise. People have called to tell me how upset they were because of the kind of behaviour I just mentioned, and I think this is really too bad.

[*English*]

All of this raises perhaps the ultimate question. Government is using its power to override a law which contains a fundamental right. The question has to be: Who's next? There is danger obviously if you represent a cause that is not particularly popular politically. We all know that the Public Service, because it is not well known, because people do not understand it and because there are all kinds of myths that exist that are untruths, is a target that is not always a popular one.

The government can do as it pleases more or less, and it has taken advantage of the situation. As parliamentarians we have to ask the basic fundamental question: If it does it to this union, if it does it to collective bargaining, will it do it to someone else, to some other group on some other law next, some right that you and I and other Canadians have? That frightens me.

[*Translation*]

Frankly, I wonder whether other groups and individuals and, in fact, rights we all have as Canadians might be affected the same way.

[*English*]

Let us talk about this notion of fat cats. There is no doubt about it that there are some excellent salaries out there within the Public Service.

[*Translation*]

You really have to take a long, hard look at this question. Look at the facts! There are a lot of people who are not that well paid. Suppose we look at the various pay categories.

[*English*]

It is rather interesting to note that there are roughly 250 people who earn between $20,000 and $24,999. There are another almost 65,000 people who earn between $25,000 and $29,999. According to my figures, and I believe that they are the most up to date figures available, almost 18,000 earn between $30,000 and $34,999.

Already I have mentioned roughly very close to one–half of the people who are within the Public Service. It is very close to one–half of those people.

Think of this. You are living perhaps in Ottawa or in another major city, and let us remember that in Ottawa and Hull we have the majority of public servants. How would you as a father or a mother with a family be able to make a living if you are earning between $20,000 and $25,000 or between $25,000 and $30,000 in this area? You might have a better chance at it if you were between $30,000 and $35,000, but you would not be labelled a fat cat.

The other question that we have to ask is: Why this strike at this time? My hon. colleague was up on his feet with a great deal of passion and emotion. I believe that he said what he truly felt in his heart. He said: "Our pockets are empty".

I will address that very shortly. Why in the world did the government appoint a mediator in the postal strike when it had that option available here? Why *le double standard*? Why treat one group one way and another group another way?

I believe that this government wants this strike, that it believes that the public is on its side. What options did it have?

[*Translation*]

They had several. I asked the Library of Parliament to prepare a study so I could look at the options that were available to the government.

[*English*]

We talked of mediation. There is no need to define it. I think most people know what it is all about. We talked of conciliation, a very similar process in which there is a third party brought in. We can talk of fact finding: someone comes in, finds out the facts and lays them out.

We can talk about interest arbitration, another method of getting third party input but where the conclusions or the recommendations are binding. We can talk about final offer selection and mediation arbitration.

This study also indicates what kind of success this has had in the past. The government had several options available to it. It chose mediation for the postal strike, but it did not choose it in this particular case. Why, why, why?

Let me share with you what a prominent journalist, Jeffrey Simpson, said in *The Globe and Mail* on September 17: "Offering public servants a contract with no wage increase in the first year was deliberately provocative and of small consequence in the battle against the deficit".

I do not think he favours one party over the other. He is one of those individuals who tries to be honest and call the shots as he sees them. This is what he says: "Offering public servants a contract with no wage increase in the first year was deliberately provocative and of small consequence in the battle against the deficit".

It was not a Liberal or a member of the New Democratic Party who said that or a member of another party.

• (1840)

It was an independent journalist who said it. There have been a number of provocations. Here is another one. My colleague talks about the bonuses. You know, it is not the notion of the money involved in the bonuses that prevents people from sitting down at the negotiating table. It is the symbol of the bonuses that prevents the dialogue.

When you have 5,000 or more cabinet appointees who got bonuses in the past year that exceed the salaries of a number of civil servants, some of whom are single parents with families, then of course you get people angry. This is the point that bothers me, that people have not understood that this is provocation. This gets people angry. It gets them darned mad, and I have other words that I could use. I have other words that I could use.

Also, the increases to members of Parliament and others, senior bureaucrats, that were given prior to them. I understand what happened. I understand, in the neighbourhood of 4 per cent the day before the salary freeze was imposed. I understand. But if we had set the example, if they had set the example, do you think we would be having this kind of acrimony, this kind of difficulty right now in sitting down and trying to negotiate? I think not.

Let us not forget that an independent agency, which works for government, the Public Service Staff Relations Board said that the Treasury Board had engaged in bad faith bargaining. I did not say that. The New Democratic Party did not say that. Another political party did not say that. It was the Public Service Staff Relations Board. Treasury Board has engaged in bad faith bargaining.

The other thing that has never been said in this Chamber, or I have not heard it today, is that certain employees were granted a back room salary increase. They were moved up one increment in their pay scales. That is provocation. I cite ships' officers and air traffic controllers. I have no difficulty believing that they should have received increases. I believe they probably merited everything they received. But the fact that they did is an act of provocation. It sours the relationship. It prevents us from sitting down and trying to find a solution.

Several people have mentioned that we have no money.

[*Translation*]

I know that the deficit is exceeding $30 billion and that the debt is exceeding $400 billion, that is, double the one for the 1984–85 fiscal year. I know all that, but why does the government find money for other programs? I will give you some examples. I am delighted to see that it just made some announcements, because it finally transferred some corporations to Western Canada. It is time that we thought about responding to the needs of the West. We have found money to do it, and that is good. But you know, when we were talking, for example, of the 3 per cent raise for the Public Service Alliance members, $144 million, that is a lot of money! It is probably more than what my colleagues have in their bank account today, a lot more!

Also, we must not forget that the government recently made some extraordinary expenses.

[*English*]

For example, the bailout of the frigates. Maybe that was a good decision, but it was $260–some million. The Gulf War was another $600 million. The GST, $358.4 million to implement the program. Over 4,000 people were hired. Office space this year is at an increase of $100 million, plus another $38.9 million for GST offices. There is over $1 billion there, ladies and gentlemen, in case you are wondering. I could mention another $1 billion if I had the time.

The government talks about people who are breaking the law, and with justification. I indicated before that I do not agree in any way, shape or form, with violence, with the disruption that is being carried on by the union and union members. I am trying to understand it and I have given some reasons as to why I think it is happening. It is unfortunate and I hope that we can come to grips with that as soon as this whole dispute is in fact resolved, as I hope it will be very shortly.

What about pay equity? That is the law. Yet the government is ignoring the law. I know it will say: "but you brought it in and what did you do?" Well, do two wrongs make one right? Of course not.

Why would you be denying those who should be getting this kind of financial response, most of whom are women. In our society today why would you be doing that? Why would you be denying them their just due according to law?

Let me talk about contracting out. I have a very interesting figure to share with this House. When this particular party formed the government in 1984, we were talking about $1.7 billion in contracting out. Where are we now? In excess of $5 billion. Big, big increase. Now why?

I do not want to be unkind, but I do wish that I could determine with precision tonight in this House where that $3.3 billion increase is going. It would be an interesting discovery and I am afraid that it would cause severe fallout.

Let us look at the employees. When the government came to power in 1984–85 in that year there were 257,013 employees; in 1990–91 there are 221,859 employees, a drop of roughly 35,000, give or take a few.

Look at that drop in employees. Look at the increase in contracting out and tell me, tell Canadians, where is the saving? Have you really saved any money for Canadian taxpayers? If so, I would like you to point it out for me.

There was a very powerful statement in an editorial in *The Ottawa Citizen* dated September 17, 1991, one that I would really like members of government to explain to Canadians. It said: "All the government needed to do at any time to break the costly demoralizing impasse was to offer a token raise, two, two, and two per cent.

I understand, just in case my colleague gets over–excited that two–plus–two–plus–two compounded is more

than zero-plus-three-plus-three compounded. I want to get that clear. But it is minimal over all and it could have been offset by reductions in staff if there was actually a finite limit to the funds as they claim. So why not two-plus-two-plus-two, rather than approach it from a zero per cent increase which is deliberately provocative by itself? It would not have been more expensive over time. My colleagues know that. They have never explained that away satisfactorily, and I am sorry they have not because Canadians will know that it could have been done that way.

They will know that they are being deliberately belligerent because they believe they have a cause where their sag in popularity can in fact be raised.

[*Translation*]

Looking at this situation, one wonders what is happening now. Those who have listened and read know that it is a political issue. They understand this government is not very popular. They understand this government will try to increase its popularity, which is entirely normal when you have the favour of barely 10 per cent of the Canadian people according to the opinion pools. Also, they realize there has been some dishonesty—I don't say that to be nasty—on both sides, some exaggeration. It's a little like when you apply for a job, you put forward your best assets, sometimes a little embellished, a little exaggerated. But both sides have surely exaggerated their positions.

Canadian want workers to go back to work. And workers wants to go back to work. What they want is that the government show that it is willing to negotiate and that a wage increase could very well be possible, even though minimal or barely exceeding zero, for they want to go back to the table without having an iron collar imposed on them before getting there.

• (1850)

If I ask you to come to the table and tell you "This is what we will do within these parameters", this is not negotiating, this is imposing one's will, which is easy when you hold all the power. You don't need much courage. When you are big and powerful and able to crush the other party, this does not require any creativity, any power, any leadership. What requires leadership however is to bring people together, talk with them and try to come to solutions that are both fair and sensible, solutions that respect them.

[*English*]

The workers want to get back to work. The government should appoint a mediator like it did in the postal strike. It should stop playing games. It should be getting the country back to work and it should do it now.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Madam Speaker, unfortunately, I will not be able to answer all these questions, I will leave some for other members, but when my colleague mentioned wages, he forgot to work out the average. It is easy to say some employees are not earning a lot, some are, and then there are those who earn even more.

I want to put it on record and I hope the hon. member can provide us with some answers, because I have a couple of questions for him. An average yearly salary of $33,500 is well over the national average. But that is not all. Civil servants are also entitled to a fully indexed pension, that is interesting, as well as the best job security in Canada and a dental plan totally subsidized by the employer. Do you know how much that costs? I have children who often visit the dentist, Madam Speaker, and I can tell you it costs a bundle, as you well know, since you have had to deal with many dentists. You know how much it costs when you step into a dentist office. That is part of their wages and it is worth a lot.

They have a whole range of job-related benefits, such as a subsidized health plan, a subsidized disability plan, fully-paid sick leaves, fully-paid annual leaves, family responsibility leaves, including maternity leaves. That, of course, has to be added up to their wages.

Our colleague also mentioned—

[*English*]

People are allowed to strike, yes he is right. People who want to work are allowed to work, too, and that works both ways. But they did not, they were not allowed. They came to my office and said: "Sir, I want to work". They had to provide these essential services in the hospitals, for example, in Montreal. Yes, they are allowed to strike. Some are allowed to work.

Then he spoke about the contract, dropping out, why we didn't give two, two, two. Yes, we saved 6,000 jobs with zero, three and three.

[*Translation*]

The most important thing that I want to say to my colleague—besides, I explained it in my speech and I would not want to start it over, but I invite him to read it—is that if it is the way that the government has chosen to make itself popular, I find that he gets the opposite result.

Then, my question is this: when you analyze a salary, why dont you analyze also the benefits that my people in Laval would really like to have, the fringe benefits, as they are called. Why did we put a cap of 0–3–3 to save 6,000 which Mr. Bean did not?

[*English*]

Mr. Duhamel: I said right from the beginning that I deplored violence, that one of the questions we ought to be discussing is when you are in a strike position, what are the activities that are appropriate, and which ones are inappropriate? There are inappropriate activities taking place right now. When you shout out people's names, when you say that you will remember them, when you telephone them, when you harass them, that is wrong, wrong, wrong. I will do everything in my power, with the assistance of my colleagues, to stop that kind of nonsense.

But we also ought to be discussing the whole question as to whether or not there should be additional excluded categories as well.

The question ought to be whether the Public Service should strike or not. If it is going to be able to strike, then let us respect that. We have not respected it, we have made it look as if it was illegal and what have you.

The other question my colleague addressed is the whole question of salary; average salary and benefits. It is an excellent question and I appreciate it. However, he failed to tell us, although he knows, how much more it is than the national average. He knows that by taking the average salary, he can add in all of the part-time jobs, you know, the little service jobs, and make that average salary look a lot bigger. I will let him live with his conscience. Perhaps he can see his priest over the weekend.

Let us talk about benefits. I cannot believe how a colleague would want to try to come to grips with the problems of fellow Canadians by trying to push them down, by saying, for example, "they have dental care". Good. All Canadians should have dental care. They have pensions. Good, all Canadians should have good pensions. They have indexed pensions. Well, let me tell you, I pay a share of my pension. Do you not? Before I came here I paid a share, and if it needs to be more so that it can be indexed, then ask me for more.

But let us not trample on everyone. Let us not push everyone down. Let us try to bring them up. Let us try to define what it is that every Canadian ought to have. Surely the way to go is not to trample upon them, to push them down. The way to go is to look at those who do not have enough; enough salary, enough pension, enough medical care, enough dental care, and to make sure they have it.

Madam Speaker, this is my final point and it will be brief. My colleague should know how much he is saving on dental care because as I understand it, we get a pretty good deal as members. He could have mentioned that figure too.

Mr. John Brewin (Victoria): Madam Speaker, I have a comment I would like to make which will lead to a question of the hon. member. The comment is with respect to the agenda that this government has in introducing this legislation.

I would like to suggest that while the government keeps talking about the need to fight inflation and the deficit through this bill and through the real reduction of wages for its public servants, the reality is that it is doing something quite different. The reality is that the government is seeking, through this legislation, to destroy the rights of collective bargaining of its own public servants and seeks to destroy the union.

The government is not trying to save money. Quite the opposite, it is trying to score a political point. First, let me say on inflation that since 1985, only in one year has the Public Service received anything more than the rate of inflation.

Second, in terms of saving money, the only cost of a 3 per cent increase in one year would be .2 of 1 per cent of the total budget of this government. The government's figures are wrong. Its agenda is hidden and it is now coming clear.

Mr. Duhamel: Madam Speaker, the hon. member is quite correct, there is an agenda here. I indicated that earlier on. I think they are trying to score political points and there is a propaganda war going on. There is no doubt about that.

My colleague failed to mention, for example, that if you look at the recent increases, as my colleague just did, in the private sector and the Public Service during the last few years, the public sector has not had nearly as much as the private sector. The Public Service Alliance of Canada has not. I think we have to recognize that.

The other point I wanted to make is that it is difficult working with figures, my colleague said—you know, he is seething, but I have no problems. He says now they are getting 100 per cent dental care and we are only getting 80 per cent. They would love our pension plan rather than their own, would they not? So if you are going to make some comparisons be fair.

There is a big power play going on. It is government versus the union and the government is trying to take advantage of that. You know it as well as I do. I am disappointed you would not acknowledge it.

• (1900)

I will move a motion at the most appropriate moment which states that the hon. member prefers their working conditions and should get them for himself. I think that would be a noble gesture on my part, in view of the fact that he believes they are better treated than we are.

Madam Deputy Speaker: I would like to advise the House that the first five hours of debate on third reading of this bill have now expired. We will now go to 10 minute speeches without questions or comment.

Mr. John Brewin (Victoria): Madam Speaker, I rise to oppose this bill and to speak out against it as forcefully and as strongly as I can.

My opposition to the bill springs in part from my experience over about 15 years as a labour lawyer in the province of British Columbia and the perception and perspective that has given me and also as the member of Parliament for Victoria, a community that has expressed its views very forcefully in this dispute and is very strongly in favour of the alliance and its position and of the public servants in that community.

Bill C-29 is at one instance a fairly innocent piece of legislation in the way it reads, until one reads very carefully into the heart of the legislation. The heart of the legislation is found in three sections.

I ask those who are watching to consider what they would do if this applied to their particular collective agreement.

Section 5 simply provides that every compensation plan for employees to whom this act applies shall be extended for a period of 24 months, beginning on the day immediately following the day on which the compensation plan would, but for this section, expire.

It should be understood that this act applies not only to members of the alliance who are now on strike, but to members and officers of the Canadian forces; members and officers of the Royal Canadian Mounted Police; the staff of this House of Commons who are without a union and have no voice speaking for them; members of the staff of the ministers of the Crown and members of the Senate and the House of Commons, agencies, boards and hundreds and hundreds and thousands of other employees in this country, many of whom have had no voice and are not party to this particular dispute.

Section 9 then goes on to provide for zero per cent in the first 12 months and a 3 per cent increase in the second 12 months of any compensation plan covered by the act.

Finally, in section 14, the act sets out penalties, up to $500 a day. The penalties not only apply to the unions or the representatives of the unions, but to employees who are required by the act not to do anything in contravention of the act. Included in that, they are not allowed to strike.

The right to collective bargaining is a right which has developed for over 80 years and to which this country has been a proud signator through the international labour conventions. The essence of the right to collective bargaining, which evidently the government members failed to grasp or understand, is that people in a free society have the right to consent to their working conditions and the right to gather together collectively to seek bargaining and working conditions that are suitable to them.

That right of collective bargaining has, over the years, been enshrined in legislation. It has been hard-fought

for over the decades. In the 1960s and 1970s it finally came to public servants across this country.

It has been awfully difficult for some people to understand how public servants, police officers and others can have the right of collective bargaining, including the ultimate right to withdraw one's labour if one is not satisfied with the terms and conditions. But a very fine balance developed in the legislation.

Certain employees were excluded from the right to strike, but those whose work was deemed not absolutely essential or critical in the public interest on a day to day basis were given the right which all other Canadians have, the right to band together collectively, to seek certification, to bargain collectively with its employers and only to work after they have reached agreement and working conditions to which they consent.

This Parliament gave that right to its public employees. It called on the Government of Canada over successive years to comply with that law. Over the years, from time to time back to work legislation has been deemed necessary, but this bill, Bill C–29, is a particularly Draconian historic form of back to work legislation.

Most back to work legislation will either provide for a cooling off period while mediation goes to work or will impose arbitration so that the parties go back to work and independent third parties, having heard from both sides, reach a judgment as to what are fair working conditions.

This legislation does no such thing. This legislation rejects the findings of conciliation boards and independent parties who have looked at the situation. Instead, it seeks to impose the government's view as to what are the appropriate working conditions for its employees.

The government, by this legislation, is using and confusing its role as employer and its role as the introducer of legislation into this Parliament. It is taking a power which no other employer in this country has and it is coming to this Parliament and asking it to impose the government's view as to what are the appropriate working conditions for employees of the public sector.

No other legislation coming before this Parliament has ever done such a thing. The Conservative Party, which used to think of itself as a voice for rights of Canadians, is seeking to impose this legislation and to strip away the rights of its own public servants.

Shame on this government. We say this legislation is in conflict with the Charter of Rights and Freedoms. I defy the government to introduce into this House any legal opinion that suggests that this legislation does not conflict with the charter of rights.

The charter of rights gives to Canadians equality of treatment under the law. Other Canadians have the right of free collective bargaining and, if pushed to the wall, the right to strike. How come the government comes in here and takes that right away?

If it says that in the public interest this dispute must end, then it is obliged first to demonstrate overwhelmingly that the public interest calls for this strike to end and second, and even more important because a wide number of Canadians would probably agree that, at a certain point a strike in the public sector must come to an end.

If it does so, it must only do so after it has bargained in good faith for a significant period of time, it has used all the machinery available to it such as conciliation, mediation and finally, it introduces the most minimalist example of back to work legislation, that is, either a cooling off period or the imposition of arbitration.

There is simply no excuse for legislation which rips away the rights of Canadians in the fashion that this bill does.

This bill is simply bad managerial policy. It is sending thousands of Canadians back to work bitter at the government, bitter at its employers, bitter at its fellow employees across the line. Even internal disputes within the union will arise because of the difficulties that this legislation has imposed on the Public Service Alliance of Canada which fought a tremendous fight and initially won a great victory over this government. This legislation is going to leave a long-standing and bitter legacy. It is legislation which this government and this country will regret for many years.

• (1910)

Let me conclude by saying that out of all bad things some good may come and out of this Draconian legislation is the coming of age of the public servants of this country. I have spoken to them in Ottawa; I have spoken to them in Victoria. The message is coming loud and clear. Finally the public servants of this country have realized that they too have a stake in the kind of

government we have. They too have a stake in ensuring that they elect to Parliament people who will fight for their rights and not impose this kind of legislation upon them.

They are speaking for thousands of Canadians who now have a new vision of the kind of Canada we want, a Canada of equity, a Canada of justice, a Canada of rights. I call on this House to defeat this legislation and to launch a new day of labour relations for the public sector in this country.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, being in the ten-minute rule it makes one rather focused. It is rather interesting that I follow the hon. member for Victoria who spoke very eloquently and in a professorial style with respect to the rights of the public in collective bargaining.

If I had had an opportunity to present a question to him before launching into my debate, I would have asked if he felt there was any difference between the rights of collective bargaining and the right to strike in the Public Service as against the right in the private sector. I think I know what his answer may have been.

In the few minutes I have on this very important issue I would like to go back, and I think it might bemuse the member for Victoria, and refer to the bill giving the Public Service the right to strike. In that debate on the Public Service Collective Bargaining Act of 1957, pages 13184 and following, I then, was a young pup member, against the august invincible Grit government of the day with Mr. Benson as President of the Treasury Board. I am not sure if the hon. member's father, as member for Victoria, was in the House then but he and I did serve in this House at the same time.

The hon. member for Winnipeg North Centre at the time, the elegant statesman who is at the table, Mr. Knowles, participated very much in this debate.

At that time—unbeknownst to me that some 24 years later I would be able to read *Hansard*—and in a more naive approach than now I pointed out the concerns I had about extending the right to strike to members of the Public Service.

This has been a very difficult debate. No one has been, I think, happy about the situation. Certainly the public is not happy about the situation. As far as I am concerned as I read the public, there is a plague on both of our houses, the House of Commons and all those involved in it, and also the house of Public Service, the PSAC, with their machinations as they try to get response to their legitimate demands. Or perhaps they have accepted some bait put out there by the government creating this confrontational situation which frankly has not helped anybody.

When this House came back after the summer recess, this bill was introduced. I must say that at that time, long before the Public Service Staff Relations Board, chaired by the former House leader of the NDP, the hon. Mr. Ian Deans, said that the Government of Canada had negotiated in bad faith—which I thought poetic justice—I also thought the Government of Canada had negotiated in bad faith. If the bill had proceeded and come to a vote at that time I must say I was prepared. Although I don't think it would have represented the collective view of my constituency which wanted the strike over, does not have a great body of public servants, and it would be very easy to side myself with the majority of good hard-working people who are my constituents, I think I would have surprised them if I had voted against the government bill and, in effect, for the PSAC. However, I honestly did not believe there had been proper bargaining procedures and that they had been bargaining in good faith. Goodness gracious, Madam Speaker, if, with all the hue and cry, we can appoint a mediator under conciliation procedures and the labour laws of Canada for the postal union and the postal problems, regardless of the physical package that the government is understandably trying to negotiate, we could have at least gone through the motions, to say the least, and might even have gone through more than the motions, to have a mediator.

I was in my window looking out at the 20,000 public servants on that lawn Monday morning and Monday noon. I must say that having seen a few sporadic displays the week before when I was here doing business, I was a little impressed and not swayed by the numbers, knowing that three-quarters of the people out there had never been politicized, radicalized. I knew that we had all had a good summer to get rested and regenerated, to come back for the fall Parliament when national building and the nation's soul searching was going to be the priority.

I was looking out there at these 20,000 servants of yours and mine and the millions across the country. I just could not believe that a government trying to start out with peace and good will to all, as we go through the difficult constitutional process, had either engineered or had stumbled into this situation. I am not casting blame, because as far as I am concerned, there is blame on both their houses. I thought and said to my staff: "Look, the Prime Minister has the pizzazz and the chutzpah and the street smarts, let alone his history of labour negotiation and working with tougher people than Mr. Bean on the longshore front of Montreal and other interesting places, to come out from the House of Commons and go before that crowd. And, if he had been yelled down and not given a voice and an ear, then that would have redounded to his credit". I said to my staff: "This could be the beginning of the turnaround for the low standing in the polls because there obviously has been a lot of politics in this whole business that is facing us this Monday". And I really thought that that might happen.

If it had happened and the Prime Minister of the land had come out, he perhaps did not even have to admit that he had made a mistake. He could have shown a little humility and said: "Perhaps we have made a mistake. Let's go back to the table. I am going to instruct the President of the Treasury Board to come and meet you and let us see if there is anything we can do that will fit within the physical framework. If we have to raise two and two and two then perhaps a hundred or a thousand jobs go out the window". But at least get back in there and go through the motions in a meaningful substantive way.

That did not happen, Madam Speaker. Yet we had the truce. If I had been a Tory backbencher trying to defend the government of the day on Monday and Tuesday, and then knowing that the House leader of the NDP was out being the honest broker to get the parties back to the table after I and others on the government side hypothetically had been defending the government, and knowing that he was the one to get them back to the table, that would have made me a little upset, to say the least. I would have known full well, going back to the table with the conditions they went back to the table on, that most likely there would not have been much of a settlement and we would be faced with another situation, which we are faced with today.

That was the beginning of the week then, Madam Speaker, and my sympathies certainly were with the poor bargaining process, to say the least, in a most conservative way, of what had gone on up to that date. I knew full well that there was blame on both sides. When the bargaining procedures, no matter how sincere or whatever finally dissolved last week, the strike was resumed. There was violence. Television coverage showed public servants grappling with their own and/or the public. I must say I believe with difficulty that it is time this strike with all the problems it has caused and which are going to linger with us is over. I agree with my hon. friend from Victoria that there has not been a bill as Draconian as this Bill C-29 to put people back to work without even a hint of mediation or arbitration. In view of what is happening to the public sector, and I agree that it is getting or is out of control, that this Parliament has to act for all the injured parties, all the third parties.

• (1920)

You are telling me already, Madam Speaker, that my time is up and I have not even got to quote you my pearls of wisdom from 1967 when the first bill to give the strike was debated in this House, when then I said the public servants at the time knew what their perks were, they knew they did not have the right to strike. I say, with all the other rhetoric that has been said in this difficult debate, that we had better start to go back to basics to see that if in the Public Service, let alone the postal service—that is another whole issue, and they cannot have the right to strike if they have got the monopoly on the mail service—but on the right generally for the Public Service, I think we have got to go back to that basic.

In conclusion, and the sadness, Madam Speaker, is just to read a short four sentences from *Lament for a Nation* written by George Grant, an interesting Canadian philosopher who believed in Canada. Way back in the fifties, 1957 in particular, he felt that the last nationalist on the scene was a fellow called John Diefenbaker. He wrote this *Lament for a Nation* because everything else was going down the drain and perhaps the state of Canada might be preserved because of the election that man. He said many things, but the interesting thing he said about the Public Service in 1957 was this quote which is very

germane to the debate in Canada going on today and one of the problems we have here. He said this on page 18 of *Lament for a Nation*:

> Diefenbaker's relations with the civil service invite the writing of a picaresque novel. By including these strained relations under his failures, I do not imply that the fault lay all on his side. Too many civil servants had too closely identified themselves with Liberal men and Liberal measures before 1957, and some of these did not show the proper loyalty to the elected government after 1957.

And then he goes on and says this:

> Nevertheless, that Diefenbaker failed to win the respect of the civil service was a disaster. No modern state can be run without great authority in the hands of its non-elected officials. In such an uncertain nation as Canada, the civil service is perhaps the essential instrument by which nationhood is preserved. The power of Ottawa has to be skilfully used by politicians to balance the enormous anti-national forces concentrated in the economic capitals of Toronto and Montreal. If Diefenbaker was to foster nationalism, he needed to win the respect of the civil service.

Madam Speaker, he goes on to say that he did not. I am just so sad that since the present government came to power in 1984, when I shared many of its thoughts and tried to develop some of their polices, that when the history is written along with many other things, it will be that we as a government perhaps did not come to grips with our public service then, let alone what has happened today.

Therefore, this is a very sad day to have this bill before us. It is a sad day that we are going to have to most likely pass it and force back to work those who work for ourselves.

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, there certainly can be no question at all that you are perhaps one of the most fair chairpeople that we have had, along with the others that we have in these Chambers, given the leniency that you showed the previous speaker, perhaps no doubt given his tenure in the House of Commons, perhaps given his eloquence. I am not sure what the reason is. Nevertheless, I support what you have done. There was perhaps ample reason.

I would first like to say that this is not an issue about the quality of the work that is performed by Canada's civil service. I, as a 12-year member of Canada's civil service, would like to give a little bit of history so that I am sure I can convince you, the public and members of the House of Commons that I know of what I speak.

The quality of the kind of service that Canada gets from its civil servants is beyond question. Certainly, one can expect that given the numbers of people we are talking about, as in the case of perhaps a large family, large numbers of anything, there is not perfection out there. Nevertheless, I think that Canada's civil servants are a dedicated group of people and believe in Canada. I applaud them for that.

As one who worked for the federal government for some 12 years, I did run into certain circumstances that caused me some puzzlement. I distinctly recall early in my tenure with the federal government wanting to finish a job. It needed about 15 to 30 minutes. However the building I was working in was closed at five o'clock with a lock and key. It had panic hardware on it so that I could leave when my boss told me to leave. I was to get out of the building at five o'clock because the government was not going to give you any time off in lieu of work performed.

I was not looking for any time off. I simply wanted to do the job and, if that was considered to be a contribution to Canada, so be it. I think there are a lot of people out there who feel the same way.

My point is that I do not believe that in this particular case, the president of the union really is in touch with the membership.

In another example, I was transferred into British Columbia and my job was to provide for pipeline profiles for an extremely arid part of Canada. Nevertheless, I found it desirable to get back to good old Saskatchewan as soon as I could. As a result I worked without interruption until 10 or 10.30 every night, not seeking any other form of remuneration, but again making a contribution to my country and to my job. I just considered it part and parcel of having a job, of having employment.

Again, no one asked for my opinion. No one from any union asked me my opinion nor did they direct me, thank goodness, because I was probably outside their reach. Nor did they direct that I could not put in those extra hours.

There are many public servants who give that kind of dedication to the job. I have spoken to PSAC members in Regina, my home community, in the midst of this labour turmoil and I know whereof I speak. I do not believe I should relay the essence of our conversations specifically, but generally they conveyed to me that money was not the issue in this particular case. Knowing full well that 0,

3, and 3 had been proposed to them at budget time which apparently caused the strike, these people in my community, at least those I spoke to and who were sent to me as representatives of the union, indicated that money was not the object.

Now Mr. Bean is saying that he cannot accept this 0, 3 and 3 directive. Members of the opposition are calling this Draconian legislation.

I do not get any pleasure, nor do I suspect any member of the government gets any pleasure in having to legislate people back to work and to circumvent the free collective bargaining process. There are times, however, when members who are providing a service to the public and are paid by the public require that the service be so provided.

I have had members from my constituency say to me: "Perhaps you should determine what services are essential and legislate accordingly. Get those non-essential services done by others".

They are certainly saying to me that perhaps there should be some cut in the number of federal public servants. I am not espousing that. I am simply saying that is what some people are telling me.

I hope that in order to maintain a good relationship with PSAC members or with the federal public servants it will not come to that. It does not have to come to that.

I hope that the day will come when someone, who has the power and ability to review what has happened behind the scenes, will reveal that there are things that occur in those circumstances that are not reflected in media reporting, that do not appear as knowledge to the membership, and that the public does not have a right to know.

I know that things have gone on and I know statements have been made. When those statements are taken in context with what is happening, you have stand back and scratch your head and say: "My good gosh, is this the same issue we are talking about?"

This has become a political issue in one form. I would suggest that perhaps politics come as a result of the organizational struggles contained within PSAC themselves, not contained within this particular political party.

I can point to back to work legislation as being non-political. I distinctly recall that in April 1982 an NDP provincial government from the province of Saskatchewan legislated I believe it was nurses back to work. I am sure they took no delight in that.

I distinctly recall Liberal colleagues opposite being associated with an infamous program called six and five, where they too took the necessary steps to legislate people back to work. We find ourselves in the same ship today, so to speak in the same position. It is not one that we envy.

We look for labour compassion from the party that apparently speaks for labour and is supposed to be compassionate. We all know full well what recently occurred in the province of Ontario, when Premier Rae told the union in charge of the Toronto transit drivers that unless a vote was held on the matters placed before their union they too would be legislated back to work.

• (1930)

No one needs to confuse the public by saying that this is a Conservative sponsored piece of Draconian legislation. It is a matter of fact that exists with all governments, with all political parties that are the government of the day.

It is great to be in opposition because it is easy to throw darts. You are not in a position where you have to make some decisions. I look across the floor with some degree of envy from time to time but not very often. Is it not terrible that we seem to get sounds emanating from behind the curtains. I would think the hon. member for Kingston and the Islands would sit in his seat and rebut some of the things I am saying, as little as it may contribute to the debate. Nevertheless I do like to hear his brilliant Scots voice.

He pleasures me with his company and I certainly do welcome him here this evening. There have been questions. A question was raised earlier about why a mediator was not appointed. Usually a mediator is appointed when there seems to be some conflict in terms of whether or not there is any money left on the table.

In this particular case, the Public Service Alliance of Canada, PSAC, has turned its back on negotiation when there are still offers on the table. It is a little premature to appoint a mediator. Further to that, given that there are offers on the table, to have Mr. Bean turn his back

on those offers I think is to serve his own political purpose and not to serve the purpose of those PSAC members that I spoke to in my constituency.

There have been other accusations that the government has not negotiated in good faith. The accusation has been made that the government has negotiated in bad faith. I found that decision by this body to be somewhat puzzling in that come budget time there was an indication of the very unfortunate direction the government had to proceed with respect to the zero, three and three.

It would be great to be part of a spending government. We are in the position that we are today because of the actions of a spending government, and now the reins must be pulled in. Yes, everyone must pay and everyone does pay.

In answer to the accusation about the government negotiating in bad faith, I do not believe we have ever negotiated in bad faith. I would like to remind you what the Work Relations Board has stated in the third element of section 51, which talks about reasonable efforts to negotiate, even though we had spent more than 90 days negotiating at that time. I would like to draw your attention as well, Madam Speaker, to the most recent judgment of the Works Relations Board that states that designated essential employees were prevented from reporting to work by union members present on the picket lines. This went against the work relations law.

The ball is in PSAC's court. I ask you who indeed is negotiating in bad faith? Last Friday the president of PSAC himself admitted that Treasury Board dealt with both monetary and non-monetary issues. This time around we did deal with these items. When we hear the president of PSAC himself saying that we did deal with all the issues, I really wonder how anyone can accuse us of bargaining in bad faith.

There was some comment made with respect to why the need for ads in the newspapers. I see I have one minute left and I will be done then as well.

Again, we have ample coverage of all those negative kinds of things that are associated with labour unrest. We felt that it was absolutely necessary to advise the public of the other side of the story, of some of the problems currently placed in the government's hands and what the Government of Canada was proposing to resolve. The people of Canada have a right to know what is happening. They have a right to know of the latest government proposals and have a right to know that this strike could have been avoided if Daryl Bean had not left the bargaining table.

Certainly one has to ask a very pertinent question and that is: Why indeed did he leave the bargaining table when there were matters on the table yet to be negotiated?

I regret very much this decision that we have to take. Canadians are demanding that we take this decision. PSAC members are demanding that we take this decision. All Canadians are demanding that we take this decision.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, we are in a rather unique situation as members of the House of Commons. All too often this government has tried to find scapegoats for its own incompetence and its own inability to manage. It has been unable to manage its budgets, to manage the tax dollars that come in, to manage the very public servants who work so hard to keep the business of this nation going. You listen to the debate that is taking place and the attempt by members opposite to try to cleanse their hands of the dirt that they have on them by forcing federal public servants not just out on strike but to take less than what members of Parliament have had to take, forcing them to take less than some of the senior—

An hon. member: Don't be so stupid.

Mr. MacDonald (Dartmouth): The hon. member opposite is yelling: "Don't be so stupid". I would like to tell the hon. member that the people who work in my constituency, and there is probably 3,000 or 4,000 of them that are in the federal Public Service, are not stupid people. They are not individuals who want to be out on strike. They are individuals who chose the life of service to the country through the federal Public Service.

The members opposite over like to heckle, particularly that member, and squirrel little things across the aisle. The federal public servants who work in the riding of Dartmouth or the riding of Halifax are people who have devoted most of their working lives to serving the public in this country.

As a Liberal member of Parliament I will stand in this Chamber and, if you do not like it, that is your problem. I will stand in this Chamber whenever I get a chance to

defend their rights as Canadians, as people who are employed by the government of this country.

It is pretty obvious that some of the members opposite who are sitting here tonight know that their goose is going to be cooked. This strike will be legislated to an end some time this evening because of this Draconian legislation. They know full well what will happen. If they do not, I will tell you what I hope will happen. I hope that the next time you need that little favour for one of your constituents and you call up the lady or you call up the gentleman at unemployment insurance that perhaps puts a little extra bit—

An hon. member: Oh, oh.

Mr. MacDonald (Dartmouth): What are you talking about blackmail? Who is being blackmailed? I just hope the employees will think twice when they call up and expect that extra little bit of service which perhaps they got that went a little bit beyond the call of duty. That happens to every member of Parliament when somebody stays past 4.30 who works in the Canada Pension Office trying to solve a case or makes the extra three phone calls to try to deliver service to the people. Perhaps the next time they call some of those public servants who have devoted most of their life to serving the public of this country and serving members of Parliament, maybe just may be they are going to think twice before they put out that extra ounce of effort because they know damn well that this government does not appreciate any effort that they put forward for them or for the people of this country.

The government would have you believe that public servants are these high paid, brazen individuals who just want to dig deeper into the federal pocket and cause the deficit to explode.

I have been on my feet in this House and in this Chamber many times. We have seen strike breaking legislation before. We saw this group opposite try to portray the public servants who were ships crews two years ago in the same way. They said: "We cannot give them a fair settlement. We cannot eliminated regional rates of pay because we just do not have the money and perhaps they are overpaid anyway". Those individuals were people who worked on Coast Guard vessels for $19,000 to $21,000 a year. They would go away for 30 days at a time. This government did the same thing when it legislated them back to work after this government refused to bargain in good faith.

But you know, I think the Canadian public is finally catching up to them.

We look at the Post Office and the members opposite like to paint every individual working at Canada Post as an individual who just wants to go in and batter the public purse. I know better. I know that the people who work at Canada Post by and large are individuals who seek to give good service. All they want back is a decent day's pay. We have seen this government opposite force them out on strike. In my own riding of Dartmouth, when the conciliator was sitting down at the table with them, what did they do? Just to show their good faith they went, in my riding of Dartmouth and reallocated and re-drew all of the postal walks which would have eliminated a number of jobs. That is what you call good faith bargaining when you deal with the Tory government opposite here.

We now have another situation down in my area where we have individuals at the government dockyards. They had to do this before, two and half years ago, during the election campaign. They were all designated as essential public servants. They are essential because they are the individuals who refitted the Canadian naval vessels that went across to the Persian Gulf and they did it in record time. They were not looking for bonuses because they are true public servants and they understand what it means to be a public servant.

• (1940)

If this bill goes through, it is going to give them a gigantic slap on the side of the head. When the Prime Minister spoke in this House during the Persian Gulf debate, he commended those men and women at the Canadian naval dockyards in Halifax and Dartmouth for doing a superb job and going beyond the call of duty as public servants. These individuals are going to be thanked by being zapped, frozen right on the spot, a zero per cent increase. Those individuals working down there just want an honest day's pay for an honest day's work. That is all they ask. This government is intent on negotiating in bad faith.

The government would have you believe that just because it is the government today whatever it says has to be right. We had an independent body, the PSSRB,

which came in and accused the government of bargaining in bad faith. The government will dismiss that.

These are the individuals who make the laws in this country, and yet a body that was created by a piece of legislation which is supposed to be impartial and ensure that collective bargaining does take place came out and accused the government of bargaining in bad faith. The government said: "Well, that is too bad".

In this case the government is acting as judge, jury and executioner with the Canadian Public Service. When the clock ticks down later tonight it will succeed in doing something that no other government has ever done. It will affect a group of people, hundreds of thousands of individuals who have worked very hard including mothers, fathers, sons, daughters, people who supervise Guides in the evening, people with the Kiwanis, the Kinsmen, people who keep our communities going. They do not have horns. They are like you and they are like me and all they want is a decent day's pay.

This government, by this piece of Draconian legislation, is going to legislate them back to work, force a settlement on them without any mediation. There is no provision for a mediator. Do you know why? If a mediator is brought in, he is going to come back and do the same thing the PSSRB did. He is going to say that the government has bargained in bad faith and these individuals should have an increase greater than zero for the fruits of their labours.

There are two other issues in here. I spoke a few weeks ago about regional rates of pay. I am still waiting to hear something sensible from my colleagues opposite who tried to respond to it. Even they know that discriminatory practice, regional rates of pay, has to go.

Every time a contract has been up for negotiation and has gone to binding arbitration in the last year and half, do you know what happened? In every single case the regional rate of pay was collapsed immediately because it was discriminatory.

The Tories opposite do not know right from wrong or day from night. What they are trying to do here is completely subvert the collective bargaining process which also includes, when you are deadlocked in stalemate, binding arbitration. Put a mediator in there. Get something done. This government knows full well if it does it that the "gig will be up agin 'em".

Recent history has shown clearly that the track this government is on is one that is not supported by anybody in this country, most particularly those who are concerned about fairness and equity.

Speaking of equity, the government and the Parliamentary Secretary who was heckling me a little earlier like to talk about the major strides made by this government in trying to attain pay equity.

There was an article in *The Financial Post* by Jill Vardy just a few days ago. I believe it was on September 4. It is pretty startling. This is the Parliament of Canada that legislates, governs and codifies rules of behaviour for the nation. It says it wants pay equity and yet there are over 66,000 individuals, women in the Public Service, who have had to fight this government in court to get it to adhere to a Human Rights Commission ruling.

We have a situation in which the public morale in our Public Service is at an all–time low. Tonight when this government forces through by closure one of the most regressive pieces of legislation we have ever seen, the public will be the worse for it. Those public servants we were so proud of in our country have been so demoralized and so turned off they are leaving in record numbers. They no longer feel that Public Service is being recognized by this government.

I have not had very much time to speak. I would like to have a lot more time to speak on this but, in conclusion, the people who live in the Dartmouth area and the people who live in the Halifax area do not want to strike. They do not want to see their public servants out and the public servants do not want to be out.

This is a bad piece of legislation. This is the execution of collective bargaining in Canada and it is being done by those people who are supposed to be protecting those rights, Tories.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, I welcome the opportunity to talk about the Public Service and the problems caused by the government's budgetary decisions.

[*English*]

I guess I am entering this debate on a little different plane than my seat mate from Dartmouth. I am angry about it as well, but I think my principal emotion in this

situation is sadness. My community of Ottawa is torn by this strike and there are people in my community who are hurting badly because of it. Some of them are members of the Public Service who are on strike and who have been on the picket lines. Some of them are members of management, designated employees. Some of them are innocent bystanders like the 3,300 people who live on Uplands Base in my riding and who have had their lives entirely disrupted during the strike.

Last Sunday in church, of all places, a man came and spoke to me. He said that he had worked for the federal Public Service for 40 years and he never dreamed in all his life that he would be on strike. He was on the picket line before and he was on the picket line again this week, not with reluctance in the sense that nobody wants to be on strike, but with a convinced belief in the rightness of the cause.

I met a man out on Parliament Hill during one of the demonstrations who told me a similar story. He had worked for the Public Service for 30 years, had never been on strike, never thought that he would be on strike, and there he was carrying a picket sign and shouting for his rights. I thought about my parents who both were federal public servants for most of their working lives. Neither of them is still alive, but I wonder what would have happened had they been in the Public Service today confronting the issue of whether they should go out on picket lines and stand out and demand their rights.

I hear the voices of objection that are coming from across the country on this issue, people criticizing the government, people criticizing the union, people criticizing what is happening on the picket lines. I worry because it strikes me that so many things in this country are just not going right at the moment. It seems like the wagon is going down the hill and the wheels are falling off and perhaps there is no one driving.

We have so many problems and at the same time we cannot even find a little bit of peace in our federal government sector. I guess I find myself wondering what really the issue is here. When you listen to the argument it sometimes is a little hard to believe that there actually is one issue because the two sides seem so entirely polarized on it.

Is the issue the management of the government's financial resources as it seems to be claiming, or is the issue the settlement of a labour relations issue itself, in this case of government employees?

That raises a whole range of issues that deal with Public Service workers. In this case the starting point surely has got to be that we have a regime of law in Canada dealing in the federal public sector with employer–employee relations. It creates a right to bargain collectively. If bargaining does not succeed, it creates a right to strike. That surely is the starting point. I suspect that the government does not disagree with that.

• (1950)

Once you begin at that point, you then surely have to answer the question: Given that Public Service workers have the right to bargain and the right to strike, what happens when the employer, the government, says: "We will bargain with you but before we start you had better know that the wage increase you are going to get in year one is zero,and in the second year it is 3 per cent"?

I suppose in some minds that sounds like the beginning position in a bargaining relationship. The employer goes in and says "zero" and the employees come in and they say "six". The employer says "No way, 2" and the employees say "That is still unreasonable, 4". Maybe at the end of the day, after weeks of negotiation, there is a settlement at 3.

That is not what was ever contemplated in this case. In this case bargaining meant zero, not two, three four or one but zero.

If you had relative fairness in the positions of the parties then you could say: "Let them say zero because the employees have a right to strike and they can take that action and they can bring the employer to its knees". What happens in this case is the government says: "Not only is it going to be zero but your right to strike, we do not care about that. It is terminated".

At this point we have to ask ourselves: Is there some really compelling reason for doing this? In one motion the government, by saying zero, has really picked the only possible number that would ensure public sympathy for public servant workers. The government picked zero. Obviously it is unfair, especially in a year when inflation is running at close to 6 per cent.

Let us look at the issue of the financial implications, the macro–economic implications. Have Public Service workers been experiencing increases in their income that have contributed to inflation? Perhaps that would be an

argument. I think the answer to that is clearly no. According to Labour Canada, federal government workers' wage settlements were 5.3 per cent in 1990 compared to 5.9 per cent in the private sector and 5.6 per cent in other public sectors. The answer to that one is no. This is not a case where there have been high salary increases in previous years. It is time to tighten the screws and get things adjusted correctly.

Are they paid a lot more than comparable workers in the private sector? I suggest the evidence is no, they are not. There have been numerous articles published. Some of the conciliation board reports that led to this particular strike demonstrated that according to the Public Service Staff Relations Board federal Public Service workers have been trailing behind private sector workers in most of the types of employment that are at issue here.

What about expenditures? Is it because of the deficit—and I only have two minutes left which surprises me—that this restraint has had to be introduced? I find that hard to believe. Just look at the record of the government in the last few weeks.

On the day the B.C. election was called it managed to find $236 million to finance the TRIUMF KEAON facility in Vancouver. We know from all of the advice given to the government, and that all experts recommended, that if that facility were funded it must not be funded out of existing science and technology funds. Presuming that that advice was accepted, it must have managed to find $236 million in loose cash lying around that could be pumped into Vancouver on the day of the election.

The National Energy Board moved to Calgary. I see the member from Calgary sitting opposite. There was money for that, lots of money for that.

There was money to set up the space agency—$250 million—in St. Hubert, Quebec when existing facilities in the national capital region were proven to be adequate. There is money for things that look like they may buy political advantage, but there is no money to ensure that the government's own employees have adequate wages and are treated fairly on an issue of fair bargaining in the public sector.

I think no other conclusion can be drawn except that in this case the government has moved in order to try to create a strawman it can beat up over an issue which will try to generate some sympathy for an unpopular government at a time when nothing else seems to be working.

I realize my time has expired, but I say that if this is the case, and I am drawn to this conclusion very reluctantly because it is a strong statement, then that surely makes this government unworthy of continuing to hold office in Canada.

[*Translation*]

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, I am delighted with this opportunity to take part in this debate—for a number of reasons. First of all, because of the way some members opposite tend to justify their objections to the government's decision, probably because they would rather forget the past mistakes that caused the government's present economic, financial and budgetary problems.

I realize they are trying to shift the burden of guilt, as it were. I also understand the objections of the hon. member for Ottawa South who just mentioned the fact that the government couldn't find money for its employees but was able to find $200 million for the Space Agency in Saint-Hubert. I understand these objections, Mr. Speaker, because the member who just spoke merely wants to justify the needs and expectations of his own public servants, and there are many of those in his riding.

However, I deplore the fact that the objections raised by Her Majesty's Loyal Opposition are based on self-serving arguments.

Mr. Speaker, the government I have the good fortune to represent takes a far more comprehensive view, since its objectives include an ongoing concern for protecting the well-being of all Canadians, including public servants, as citizens of this country. That is the difference between the objections voiced by the opposition and the responsible position taken by this government.

Mr. Speaker, I remember, I think it was last October, I was in my riding and I mentioned Canada's budgetary and financial problems, the serious problem of our annual deficit, and especially that sword of Damocles

that continues to hover over our heads, and I am referring to the national debt. At a press conference, I told my constituents about the need for restraint throughout the public sector, and of course the need for cutting operating expenditures. At the time I mentioned another concern, something I would like to see happen, and it did, and that was to freeze Public Service salaries for at least one year and restrict increases. Today, the time has come to make a decision I agree is a serious one, a decision justified by the extent of the cumulative deficit of the past 25 years and also by our national debt, also accumulated during that same period.

Mr. Speaker, I can say that the people of Richmond—Wolfe, in Rock Forest, Richmond, Brampton, Windsor, Asbestos and Valcourt, all agree with this legislation.

• (2000)

As a matter of fact, they were quick to react to the stand I took for a wage freeze. I want to stress the fact that this freeze is only for this year and applies not only to civil servants but to members of Parliament, to ministers, to executive assistants and to the Prime Minister, of course, along with the entire public service.

It is a matter of making every Canadian do its share. This bill has a dual purpose. It of course applies to our civil servants under the present circumstances, given they are on strike. Its first purpose is to put an end to the strike, i.e. to legislate them back to work. We cannot do without the quality services, the essential services they provide to the public. There is general consensus on that point.

The members opposite claim that the idea is to get back at them and treat them unfairly. That is not true at all. I can attest personally to the good, competent service most of our civil servants provide in the region. I happen to know that from working with them on a regular basis, like all my colleagues from across the country. The idea, therefore, is to make them go back immediately.

The second purpose of the bill is to freeze the salaries of civil servants, parliamentarians, executive assistants and the entire public service of Canada, including Crown corporations, for one year and to limit wage increases to 3 per cent for each of the next two years.

Is that what the opposition calls scoring political points? I cannot imagine how we could achieve that with such a decision. The proof is that a lot of people among our civil servants are of course disappointed; they feel victimized—and I understand that very well—but, like a good father or a good mother, it seems to me that there comes a time when one must take its responsibilities. Children always want more and it is understandable. The candy is so sweet; the ice cream cone is even better; to go on vacation or to get one more holiday is always fun. But parents must intervene to put an end to these repeated requests.

So this government takes on the responsibility of imposing a salary scale and working conditions that have not been accepted by the other side. That is what we call assuming one's responsibilities. Is that a way of trying to obtain a political gain? Oh no, quite the contrary! Indeed, such a decision could trigger animosity towards the government.

But, Mr. Speaker, I dare say that, in my opinion, the civil servants who feel victimized now will, in a few months, recognize the correctness of that decision. In fact, it seems to me that our civil servants accept the governmental management; they are our front line agents, our first assistants and colleagues. Mr. Speaker, I urge them to reconsider their attitude. At the same time, I recognize and we recognize, of course, their feeling of being victimized.

I ask them to understand that this is how we must assume its responsibilities, and I am tempted to say, Mr. Speaker, that the action they took may have been taken at their expense since, in my opinion, Mr. Bean has not been able to recognize the profound motives of that decision.

Regarding cuts, Mr. Speaker, I could mention several provinces and unions that have experienced the same fate. May I tell you that Nova Scotia has frozen the salary of its civil servants at 0 per cent for two years; Saskatchewan has done the same with 2 per cent and minus 2 in 1992; in Manitoba, it is 0 per cent and minus 2; in Quebec, 0 per cent and up to minus 3 in 1992; and in New Brunswick, it is 0 per cent in 1991. Even provinces presumably faced with administrative problems have freezed wages. Take, for example, Newfoundland, where

nurses, 3,400 of them, got zero per cent. Also in Newfoundland, non-medical staff, 4,800 employees, got zero per cent. These provinces are faced with the same problems as New-Brunswick and the province of Quebec, and they made that decision.

I think, Mr. Speaker, that our highly competent civil servants also share this vision of responsibility and decisions to be made. I would invite them to reconsider their action, Mr. Speaker, and to accept in good faith this responsible decision.

[*English*]

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I rise to oppose this bill which would legislate the Public Service workers and the Public Service Alliance back to work with a 5 per cent cut in their buying power as compared with the past year.

I am not going to try to summarize in 10 minutes all the arguments that my colleagues have put forward very well, especially the member for Victoria, about the illegality of the government's action.

I simply want to deal with the myth, the tale we are told, the government's claim that this is all done because of the deficit and the debt. That is hogwash. It blames the civil servants' wages as a cause of deficit. Yet the civil service wages are less than what the government has chosen to spend on 13,000 jobs that were contracted out to its friends. It paid more for 13,000 jobs to its friends outside the civil service than it has to 146,000 civil servants.

It also blames social programs. The former Minister of Finance has been preaching that month after month, year after year, that it is the social programs that have broken the bank and put us in this deficit.

Again, that is absolutely false. The report from Statistics Canada has shown that 94 per cent of the debt has arisen not from the social programs, but from the tax breaks to the rich that began in 1975 under a previous administration, and it continues with the extortionate interest rates about 5 per cent above inflation instead of the normal 1 per cent or 2 per cent above inflation.

As to the tax rates, for example, the government increased unemployment insurance premiums by $180 a year for each Canadian worker, but widened the $2.8 billion capital gains exemption which goes mostly to real estate operators, not to poor farmers trying to hang on to a home.

The government cut $340 million in social assistance funding to Canada's poorest but kept the $1 billion subsidy to rich businessmen who invite other rich businessmen to their Christmas parties, their birthday parties, or to watch a ball game.

The government slashed spending on the environment by $600 million, but it extended the interest deductibility provision which allows multinationals to use Canada as a tax haven.

It reduced support for social housing by $32 million, but it kept the $1 billion dividend tax credit for the rich.

It cut $100 million from the Canadian Jobs Strategy but kept the $1 billion manufacturing and processing tax credit.

Those were the causes of the debt and the ballooning deficit, the tax breaks for the rich and the interest gouging in favour of the rich. It was those people who had not paid their taxes, many of them, who were able to invest that money in the government bonds.

• (2010)

There were others but those were obviously some of the chief ones.

Even the government does not believe the story about the deficit. If it did, why would it increase CSIS, the secret police, by $24 million or more? Was it necessary to have that so that they could spy on labour unions and disrupt them?

Why $800 million for the Gulf War? So that the oil companies could get a share of the oil loot?

Why the tens of millions of dollars sending the army against Oka? Was it to intimidate all of Canada's native peoples and other Canadians?

When it wanted to spend the money, it did. For that matter, what about the many, many millions—it is estimated at $100 million—and the hon. member across the way refused to answer a question about it from the hon. member for Churchill, just to win one by-election in Lac-Saint-Jean? Was that necessary in order to re-establish control over the people of Quebec?

The government's story makes no sense at all. Why attack public servants and the postal workers? Why the FTA, the free trade agreement, that caused 200,000 to 300,000 jobs to be lost in Canada's manufacturing industry, and to give away control of our oil industry.

Why the North American free trade agreement being pushed? Was that to cause more job loss and more loss of control over our natural resources? Why the high interest rate, which hurt Canada's exports to the United States? Was that the under the table deal that we are told it was, as part of the price of the free trade agreement, so that we could not put our goods into the American market when the tariffs went down?

Why the high dollar? Again, to protect the United States from Canadian exports? On top of that now, it starts an attack on the Public Service unions, provoking them and forcing them out to strike.

This is part of a campaign, and we can see it in the Prime Minister's rhetoric and in the other cabinet ministers' rhetoric because they want all large, private corporations to do the same, to destroy their unions and to lead Canadian private corporations in a general union-busting campaign, much more powerful than what the Liberals did in 1982 with their six and five legislation when they encouraged tycoons making half a million dollars to show that they were only taking six and five themselves, more than the average worker gets for his whole wage.

These are all parts of a power grab by the transnational corporations. In Canada they are represented by the Business Council on National Issues, which is a lobby that has the ear of the Prime Minister and it is worth probably about a trillion dollars, give or take a hundred million or so.

The plan is to suppress workers by dividing them. That is why the Public Service workers, who have a large number of women, are being humiliated both by the wage freeze against the price rise and by the manner of doing it. Women, the majority in this country, are beginning to organize in all kinds of ways. Therefore, from the government's point of view, they must be put down, as the government is also trying to put down the native people by cutting their funding for communications, cutting their schooling, cutting their housing.

The government had to divide the working people of Canada, setting some against others, immigrants against Canadians, refugees against others, Latin American racial minorities against others. It wants to divide Canadian workers so that it is easier to force wages down in the interests of the transnational corporations.

Mr. Speaker, I am not going to ask this government and the caucus that is their automatic vote to change their minds. Their intention is very clear: They are serving the interests of the transnational corporations solely, and they are willing to wreck Canada by persecuting the working class.

Therefore, I ask those who are listening to this broadcast to consider what it is that the government is really trying to do behind the smokescreen of this deficit, which this government largely created. It is trying to bring about an undeclared war against the Canadian people on behalf of the richest people in North America. I ask all who are listening to give careful thought to that, Mr. Speaker.

Ms. Mary Clancy (Halifax): Mr. Speaker, it is with great pleasure and with great pride that I stand in this Chamber tonight to speak on behalf of the public servants of this country, but most particularly to speak on behalf of the public servants in my riding of Halifax.

I knew, obviously, that I had the third-largest contingent of public servants in this country, Halifax ranking third after Ottawa and Montreal. What I did not know until the hon. member for Ottawa—Vanier told me was that in actual fact more public servants live in the riding of Halifax than in any of the other ridings in the country where public servants live.

I do not think the hon. member for South Shore really means that. But we will let it go for the moment.

The public servants in Halifax fall into several groups. One of those groups is the ships' crews, the crews that go out in the North Atlantic when other vessels are in trouble— "They that go down to the sea in ships", as the hon. member for Kingston and the Islands has said—and rescue ships, boats, fishing vessels and so on, in the teeth of the great North Atlantic storms. These ships' crews, when they were striking over the question of regional rates of pay two years ago, downed pickets whenever a

distress call came in, went to their ships, sailed out of Halifax harbour and affected the rescue of many lives.

These workers, Mr. Speaker, are paid less, as we all know, than those ships' crews in other regions of the country. These workers, through a process that the federal government initiated when it ordered them back to work two years ago, through a mediator, had a process whereby these regional rates of pay were going to be eliminated.

The promises of this government for those workers, and I might add for other public servants in Halifax—hospital workers, also suffering under regional pay disparities— the promises of this government are writ on water, they mean nothing. These workers, among the lowest paid, who risked their lives and continue to risk their lives and dropped their pickets while they were on a legal strike to affect these rescues, instead of getting regional rates of pay alleviated as the report of the mediator, the binding report that the mediator promised and that the government agreed to, has been thrown out, are limited to 0, 3 and 3.

Mr. McCreath: The same as everybody else.

Ms. Clancy: Oh, the same as everybody else, the hon. member for the South Shore says. He ought to check on some of the bonuses for some of the government's friends in the higher echelon positions. That is what the hon. member for the South Shore should do.

Mr. McCreath: You are a wealth of misinformation.

Ms. Clancy: But the hon. member for South Shore, who certainly can make a lot of noise, should remember that the public servants in Halifax made their presence felt on November 21, 1988—

Mr. McCreath: Stop interfering with the democratic rights of others and go to work.

Ms. Clancy: Well, no, I think they were voting on November 21, 1988, as I recall. On November 21, 1988 they made their presence felt. They will make their presence felt again because they know now, as they suspected in November 1988, that trusting this government would be a waste of their time.

• (2020)

I have spoken many times in this House on the regional rates of pay and the absolute endemic unfairness of it. The hon. member from the South Shore knows it is unfair and knows that his constituents are among the prime beneficiaries of those underpaid ships' crews that sail out of Halifax harbour.

I have spoken on those many times, as I have spoken about hospital workers who were discriminated against.

I want to get a little specific on numbers. In the Public Service of Canada, 66,000 employees earned $29,000 or less. The poverty line in 1991, for a family of three, was $25,600 and for a family of four was $28,800. Two-thirds of those earning under $30,000 in the Public Service of Canada are—guess what? Women. Is anyone surprised? No, no one is surprised. What is this government doing about pay equity?

An hon. member: Nothing.

Ms. Clancy: Nothing. Not one thing. In reports of conciliators over the years, with relationship to the pay equity question, the following has been said and I quote:

"Apparently the government has a separate funding for pay equity adjustments and they will not come out of departmental budgets. There is room for the government to bargain pay equity adjustments in this round of collective bargaining outside the context of wage restraints".

What is this government doing about pay equity? Well let me tell you.

An hon. member: It is bargaining.

Ms. Clancy: No, no. It is doing a little bit. One of the things that this government is doing about pay equity is fighting the right of the Human Rights Commission to deal with this issue and refusing to negotiate pay equity at the bargaining table. It refused.

An hon. member: Who said that?

An hon. member: I think it was Max Yalden.

Ms. Clancy: Max Yalden has condemned the government's actions on pay equity. The commissioner for human rights has condemned the federal Government of Canada on its actions on pay equity. What a record. What a wonderful way to be. What a great thing to be able to take to the people of the country.

The government has failed to implement pay equity for female dominated groups in the Public Service. That is the truth, that is the issue and it deserves to be condemned. Instead of real pay equity, where classifications are changed to reflect new salary levels, the government gives equalization payments. Equalization payments can be removed at any time and certainly will

be removed if any of these groups ceases to be female dominated.

The government is playing around. We already know what the member for Calgary whatever thinks about equalization payments or any kind of gender equity for women. Heaven forfend.

An hon. member: What does she think?

Ms. Clancy: Oh, I could tell you, but we would have to get into the question of violence against women and it is violent enough.

What else does the government do to its Public Service? We know about contracting out. We hear about downsizing. How has this downsizing been achieved? By contacting out or hiring consultants. The cost of contracting out has climbed from $1.7 billion annually to $5 billion annually, an amount greater than the entire federal Public Service payroll. The contracting out to their patronage friends is greater than the entire payroll for the Public Service of Canada.

Mr. McCreath: Prove it.

Ms. Clancy: Prove it, says the hon. member for South Shore. The proof will be in the pudding and the pudding will be eaten in the next election. The public servants of Canada will not, like Oliver Twist, be prepared to go back to the table where they ask for more and be told by this Dickensian government that there is no more.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have been sitting in the Chamber listening very carefully to some of my colleagues on the other side. I want to begin by asking members to let us move into the 1990s and into the 21st century. Members keep forecasting, predicting; you want more of the same and the same does not work. You had better face facts and call a spade a spade. No more taxes, cuts in programs and services, we are living beyond our means and Canada started that way back when you were in power in 1969 with a surplus of $450 million.

An hon. member: The Liberals want more taxes.

Mrs. Sparrow: You took that $450 million surplus and you turned it into a $38.5 billion debt, by increasing program spending and increasing salaries to the tune of 13.5 per cent and 14 per cent. I tell you that we have to pay the bills. The party is over and no longer can we—

Some hon. members: Oh, oh.

Mrs. Sparrow: We have to pay the bills and everybody is going to participate.

On February 26, 1991, the Minister of Finance tabled his budget in this Chamber and all government employees, all MPs, cabinet ministers, RCMP officers, are treated exactly the same. Everybody will get zero, three and three over the next three years. You are. I am. Even the hon. House leader sitting up there is. He had his salary frozen as well.

Nobody likes strikes and we are not advocating a strike. There are many people within the Public Service who do not want to go on strike. There are single parents. There are families who need their salaries to feed their children, pay their mortgage, and keep a roof over their heads. But they did not have an opportunity to cast a ballot. No. It happened to be their leader, the union head, Mr. Bean who said: "Thou shalt go on strike". End of report.

Bargaining and negotiations have been taking place and the public servant has job security—do you have job security, Mr. Speaker? Mr. Speaker has job security. They have pension plans, dental plans and benefits that the free enterprise system does not have. People in my riding of Calgary South are not only losing their jobs, they are taking a decrease. People down on the south shore in Nova Scotia are losing their jobs and taking decreases. They are willing to do time sharing in order to hang on to their jobs. This is not just one sector we are zeroing in on, everybody has to help.

It has been mentioned here, and I know Mr. Speaker knows this, that six provinces have frozen the salaries of their public service: Nova Scotia is at zero for two years; Manitoba is at zero for 1990-1991; the province of Quebec has frozen its public service wages; Newfoundland; and New Brunswick has even rolled back a piece of legislation they had passed.

I sat here and listened to my colleague from Ottawa South across the way talk about money going into other

enterprises. I will tell you that by moving the National Energy Board to Calgary we are going to save millions of dollars. No longer will the oil companies have to fly back and forth, hire their lawyers, to be at the hearings here in Ottawa. They are going to hold the hearings right where the energy industry is located.

Everyone is going to participate. Everybody is going to help us to cut the budget.

I just want to make a remark about pay equity. It seems to me it was 10 years ago when the government of the day—who was in power 10 years ago?

An hon. member: The Liberals were.

Mrs. Sparrow: —when the government of the day had charges laid against it with regard to pay equity and it was taken to court. Ten years ago. You people never moved. And what government moved?

An hon. member: Wasn't that the Trudeau government?

Mrs. Sparrow: That was the Trudeau government, the Trudeau government on the pay equity, and it has been 10 years in the courts. You know, Mr. Speaker, we awarded $317 million in 1989, $76 million in 1990 and $81 million this year for pay equity. Pay equity applies not only to women, but to visible minorities, aboriginal people and disabled people. You never ever, ever came out to attack that issue.

• (2030)

An hon. member: Oh, oh.

Mrs. Sparrow: I listened to you. Now you, unfortunately, are not moving into the 21st century. One of our gentleman friends from the NDP party was talking about free trade. I will tell you, 75 per cent of our trade is done with our colleagues south of the border.

Some hon. members: Eighty per cent.

Mrs. Sparrow: All right, 80 per cent. How about 85 per cent? Now that we are going, how about 90 per cent? We need the secure market. We have to move into the global markets. We have to increase our efficiency, increase our productivity and our quality too and we have got to market smarter.

Think of the jobs that would have been lost without free trade. You should come on out and see where the petrochemical business has moved up. There are certain industries that have benefited. As we move through the 10 year period—well, Mr. Speaker, you were here during that debate in December 1988. You remember all the people, the pot calling the kettle black.

The Acting Speaker (Mr. DeBlois): Order, please. The Speaker likes spirited debates, but I ask for the co-operation of the two sides of the House. I recognize again the hon. member for Calgary Southwest.

Mrs. Sparrow: Mr. Speaker, I will only be one minute. We will not raise taxes. We will not increase the deficit. If hon. members will tell us where to cut we will all participate and we will all work on this together.

It has been a great pleasure, Mr. Speaker, to be here in the House and I thank you very much.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, "we will not raise taxes"? Is that beyond the 33 times you have already raised taxes since elected in 1984? Incredible! So it has come down to this, Mr. Speaker.

Constituents in my riding of Hamilton West give me the privilege to stand in the House, rise in debate on Bill C-29, along with my colleagues, in opposition to the government's bill which not only legislates federal civil servants back to work, but imposes on them a wage freeze; 0 per cent.

Like everything else this government does, the legislation before us is the handiwork of the Prime Minister and the Tory cabinet, devised through the use of smoke and mirrors. Make no mistake about it, the government is ramming this bill through the House in the hopes that it will serve them well in the polls. Yes, well in the polls because it has become a political matter.

Is it discouraging potential converts to the Reform Party, is that what it might be about? Disgruntled Tories in all the Tory ranks across this country, it could be a little bit about that. But what is the goal of this bill, Mr. Speaker? It is to convince these groups, like the Reformers, like their Tory backbenchers, like all the Tories across this country, that the government mean business. Cut the pay cheques of federal civil servants all in the name of fiscal restraint.

The smoke and mirror illustration shows that the government is not saving money by freezing these wages and are not convincing Canadians that it is doing the right thing. The government claims to be eliminating full time public sector jobs, but let us remember, they are pushing people out through the front door and all the while contracting people through the back door, hoping Canadians will not catch them in this little charade of theirs. Not only is contracting out costing the govern-

ment more, but the wage freeze included in the bill does not apply to higher level public servants.

Remember the story last week, Mr. Speaker? Over 5,000 cabinet appointees received bonuses last year, some as high as 25 per cent of their salaries. One Crown corporate executive is said to have received $87,000 in his Christmas stocking, that is on top of his annual salary of $365,000. The government expects Canadians to buy this so-called wage restraint charade.

Contracting out is exempt from any budgetary restraints. How can the government say that it is saving money when its policies are clearly ruinous to the morale of the public sector, are misleading to the public, and will result in an increase in expenditures just because the government wants to take on the Public Service for the benefit of political gamesmanship? That is all it is.

I listened to the President of the Treasury Board speak in this House. He made an ironic comment. Members on this side of the House have rightly pointed out that this government is trying to pull the wool over the eyes of Canadian by contracting out public servants through the back door, capping the wages of those permanent employees and eroding any kind of job security. The President of the Treasury Board replied: "If things are as bad as the opposition claims, why then last year did over 230,000 Canadians try to gain employment in this maligned Public Service?"

The answer is painfully obvious, except to the minister and his Tory colleagues. Some 250,000 Canadians sought employment with the government because they are just a part of the 1.5 million unemployed in this country, 300,000 of whom, by the way, lost their jobs since the free trade deal was signed.

Another aspect of this debate degradates the equality afforded to women in the Public Service. The government has put pay equity on the table as a political tradeoff. It is a cold-hearted move that shows this debate is about far more than back to work legislation and the capping of wages. This government says that it is committed to paying women an equal amount for equal work done on the job but at the same time is prepared to treat the advancement of women in the Public Service as nothing more than a bargaining chip. What this government is trading off, trading away, are its principles.

Let us also remember that the wage freezes are being rigidly applied to the lowest paid employees, thereby ensuring that higher salaried employees will receive lump sum payments, bonuses, reclassifications into higher wage brackets.

The fact is the majority of the lower paid employees are women. It has been said, and it should be repeated before we have to vote on this bill in about an hour and a half time, that two-thirds of those federal employees earning under $30,000 a year are women. That is almost 70 per cent.

One group in the lower classification of the Public Service is almost made up entirely of women, 99 per cent, whose average wage is, get this, $19,396. In 1990, just last year, the poverty line in this country for a family of three was $25,600.

What is the single mom working for the federal government to do when her employer freezes her wage at an already less than equitable level and has two children to provide for? Forget day care, this government has already reneged on that promise. It is turning its back and walking away from pay equity and the Canadian Human Rights Commissioner, Max Yalden, who also condemned this government's action on pay equity.

Let us return to the smoke and mirrors image and this analogy. As I previously mentioned the government is trying to persuade Canadians that these wage restraint measures are for the good of the country. What it is really doing is victimizing public servants and using them as scapegoats hoping to curry favour with a public which has lost confidence in it.

It has already victimized Canadians with over 33 tax increases since it came to office and has let the national debt explode to $420 billion, so there is the smoke and mirrors. The government and the member for South Shore try to blame the past governments for the present state of the deficit which they could have controlled over the past seven years in office. Cutting back on public sector wages should send a signal to the Canadian public

that the government is serious about controlling the debt, right?

The other page stolen from the Reform Party by this desperate government is a new fund that will bring the deficit down by almost half by the time of the next election when it rolls around. If this government were serious about the deficit, it would ask the former minister of financial disaster where his projections went wrong.

• (2040)

They went wrong time after time, projection after projection. In the six years since the government began to downsize, eradicate the Public Service, 13,000 positions have been cut and 24,000 people have been affected by downsizing. In the same six years, there are 70,000 fewer in the federal Public Service.

Much of the downsizing that has taken place has been achieved by contracting out or hiring consultants. At the bare minimum contracting out has climbed from $1.7 billion annually to $5 billion every year.

An hon. member: Tory waste.

Mr. Keyes: This is an increase of over $3 billion a year.

An hon. member: They put the money into the hands of the fat cat Tories.

Mr. Keyes: That is what this government has been spending on, contracting jobs to do the jobs formerly done by competent civil servants, by a full time staff. For the record the $5 billion amount the government spends on contracting out is greater than the total amount spent on the payroll for the federal Public Service.

I see I have a minute left and so I will close by saying that is the smoke and mirrors. The government would like big business and disgruntled Tories to believe that it is serious about cutting back the public sector but has spent at the same time huge sums of taxpayers' money on this public relations political exercise which has hurt the morale of the world's greatest public service and has done a disservice to the entire country through this transparency, this falsehood, this charade.

Who do I speak for? I speak for the thousands of public civil servants who work in the riding of Hamilton West, right downtown. I also speak for all those Canadians who have seen through this outrageous, unfair Draconian bill, Bill C-29.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I welcome the opportunity to participate in this debate. I must say I really feel it is unfortunate that this debate is taking place. I am not sure whose interest is served by the fact that this debate is taking place.

The government brought down last March what can only be described as a very responsible budget, responding to the economic realities and the fiscal realities of this country. That included recognition of the fact that many people across this country had to participate in dealing with what this government had the courage to take on, and that is to say, the deficit and the national debt. It goes without saying that the government's own employees, including those of us in this Chamber, had to participate in that exercise.

That is unfortunate. Everyone would like a pay raise. I would like a pay raise. I could use a pay raise. I am sure everyone in the Public Service would like a pay raise. Quite frankly, I have to say in all honesty, despite the disparaging remarks that one hears from time to time, I have rarely met public servants who I do not feel give the public value for the service. They are dedicated people who want to serve Canada, just as I am sure all members of this Chamber wish to serve Canada.

The reality is that governments must act responsibly and so we had a budget that set down a wage guideline for everyone in the Public Service, everyone in the employ of the Government of Canada, including the members of Parliament in this room, the Prime Minister, and the members of the Public Service Alliance of Canada, along with the members of the five bargaining units that have already settled within the zero and three.

What did we have the night of that budget? We had Mr. Daryl Bean on television saying: "There is going to be a strike". Everyone knows that the Public Service Alliance of Canada has an impeccable reputation for responsibility, a reputation that has been earned over many years of responsible actions, of negotiating in the appropriate way. I guess Mr. Daryl Bean felt that he was not high enough in the pecking order of the trade union movement or the NDP, whichever is which, I am not sure. He had to show that he was as tough as Shirley Carr and Bob White and Richard Cashin and all the

other union leaders in Canada and so he announced then that there was going to be a political strike and he was going to close down the Public Service of Canada.

The Government of Canada, for its part, acted in a responsible manner; it went to the bargaining table prepared, as as it remained throughout prepared, given that the zero, three and three was going to be there, to bargain other aspects like job security which when I worked for a union we felt was very important to our members. Mr. Bean does not seem to appreciate the fact that job security has been offered and put on the table by this government, and other benefits like that. He had to have his political strike. I do not know who told him he had to have that strike or whether he made that decision all by himself. Only he could give the answer to that. The months passed, the weeks passed and we got our strike. Mr. Bean got his strike.

Now how did he get his strike? It is interesting. He got his strike, from what I can see, in large measure through intimidation. It is amazing the stories that are coming out of the people who did not want to go on strike but wanted to go to work. They understood the economic reality that the government faces. They were prepared, as good citizens of this country, to take their lumps along with the rest of us and accept what was available and also many of them recognized that in these times of difficulty they were very fortunate to have jobs at their salary levels and their levels of job security.

I have got 120 fish plants in my constituency and I will tell you that there are not many people in those fish plants who make the kind of money that the people my hon. friends opposite say are so hard done by make. A lot of my fish plant workers would love to have a job at which they could make $25,000 a year, because you cannot make that kind of money working in a fish plant.

Mr. Keyes: The politics of envy.

Mr. McCreath: They would love to know they had the long term security that you can have within the Public Service.

Mr. Keyes: Pitting Canadians against Canadians.

Mr. McCreath: It is perhaps not coincidental that in the town of Bridgewater, which is the largest town in my constituency, we have 25 people in the PSAC bargaining unit and when the strike began do you know how many of those 25 went on strike? Twenty-two. PSAC had to bus people in from Halifax in order to man the picket lines because people on the South Shore of Nova Scotia know that when times are tough if you have got a secure job, with a dental plan and with job security and pension benefits, you could have it a heck of lot worse than you have it.

Ms. Catterall: If you don't fire them first.

Mr. McCreath: They made it perfectly clear there was going to be a strike and those who did not go on strike were given the torches of hell. They were physically harassed, they were intimidated. People stayed home because they were afraid to go out of their houses. They were told that if they went to work their name would go on a list and I saw some of the lists posted up. Their democratic right to do what they wanted meant nothing in this union evidently. Their democratic rights meant nothing. Their names were put up and they were all going to be thrown out. I will be interested to see if Mr. Daryl Bean follows through on his promise to throw everybody out of his union who went to work during the strike, because he will be throwing about 60,000 of those people out of his union. I will be interested to see if he delivers on that.

It was interesting, the strike began and we were told this strike was going to go on. We were told that if back to work legislation came in it was going to be ignored. What happens nine days later? Mr. Bean comes in, with his friends I might say from the NDP, saying to the government: "I have got to get out of this situation." He went back to the table. The government made itself perfectly clear; it remained adamant that zero, three and three would be on the table and nothing else, but that it was prepared to negotiate other things.

What has Mr. Bean done? Mr. Bean, a few days later, said "we are going out again". He left the bargaining table. Now he turns around and says the government left the table. There was an unequivocal deal; he broke the deal. He left the bargaining table. What did he leave on the table? He left an average salary of $33,500 a year for public servants in his union, not a bad deal if you are a fish plant worker in Port Mouton, a pension fully indexed to the cost of living, one of the best employment security protection plans in Canada, a dental care plan funded entirely by the employer, and a full range of other

employment benefits. Mr. Bean said "No, I am leaving the table and I am leaving that there.".

There was a lot of talk when the strike was on that something needed to be done for the people who were at the lower end of the wage scale of the Public Service and the government was not doing anything. What did the government do? The government responded, the government listened, the government went to the table and offered $500 a person.

An hon. member: An outrage.

Mr. McCreath: I understand the minister is going to make an amendment to this bill to see that they get that. Then what did we hear? For a week all we heard was about the single mothers. It is as if the whole Public Service were single mothers making less than $20,000 a year. The government responded to that. Then we heard: "Oh, that is no good, because there are not very many of them". Which way is it?

• (2050)

I said earlier that it is a political strike. It has obviously been a political strike from the perspective of my hon. friends opposite. We knew where the NDP were going to stand. Everybody knows, solidarity forever, the CLC, the CAW, the NDP. You get one and you get them all. Except then they realized they had a few farmers in their caucus. They had people who had responsibilities to the farmers in western Canada who are possibly having their worst year in history. What were these people doing? They were keeping a strike going that was taking money out of the pockets of the farmers of western Canada. This government is responding.

If you do not watch it, you are going to see the kind of support for farmers coming down from this government that this government under the leadership of this Prime Minister has always provided.

The NDP came in and said: "Please, we have to get out of this situation. We will give you whatever you want". So the hon. House Leader said: "Okay, you said you were going to debate this forever, you give us a House Order that says if they go out again, we will put the bill through the Commons in two days". Boy, the hon. member for Kamloops could not be quicker in saying yes and getting himself out of that little mess.

Then we had my hon. friends from the Liberal party, led by "me too Jean". We did not know what their position was when there was talk of back to work legislation. So we had to wait until the NDP said what they were going to do. Then we heard what the NDP were going to do—oppose the government. God forbid that the Liberal party would find themselves left out in the dark with only the NDP. So, "me too Jean" said: "We are against it too". They came up with a great idea. Their great idea was to get a mediator. That is what we heard form over there. "Let us get a mediator". It does not matter that the leader of the union said: "We have to have a strike". It does not matter that the leader of the union walked away from the table when there were valuable offers on the table for the benefits of his members. No, no, we have to do that.

My time is just about up, but I want to say one thing. The people of Canada do not support this strike. Most people in Canada recognize that public servants are people who serve Canada and deserve the opportunity to go back to work like the rest of us. Most of the people of Canada overwhelmingly, I should suspect, support the action of this government in regrettably having to put through this legislation.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, after the noise we heard from the other side, I am going to try to be a bit more low key.

An hon. member: I am sure you will make a lot more sense too.

Mr. Skelly (Comox—Alberni): The last words I heard from that member opposite was that the people of Canada do not support this strike. I think it was the only true thing he said. I should not say that. It is probably unparliamentary. But the only thing that rung true with me is that the people of Canada do not support this strike.

In fact, I do not think they support any strike. People of Canada, the same as people on this side of the House, would like to see some way of ending this strike, but in a way that respects the process of collective bargaining and the process of mediation, the process Canadians have come to associate with a democratic system in terms of the regime of labour relations. Yet, this government absolutely refuses to submit this issue to mediation because it knows it is not going to move on that one line that was printed in its budget: zero, three, three. And it will not move. As a result, there is no sensible negotiation going on. There is absolutely no sensible negoti-

ation that goes on at the table as long as the government has imposed that precondition on bargaining.

I have been listening to this debate for quite a while. Actually, the debate does not go back to the time that the budget was printed. I believe the government had in mind when it put that section in the budget in the first place that it was going to precipitate a Public Service strike. In fact, I would not put it past it that it had this legislation written at the time the budget came down.

This debate does not go back to the failure of the negotiations with the Public Service, it goes back much further. In fact, it goes all the way back in this Parliament to 1984 when the Prime Minister said he was going to come to Ottawa and issue pink slips and running shoes to the Public Service of Canada.

That represents an attitude on the part of that Prime Minister and an attitude on the part of the Conservative political party in this House about public servants and about public employment. This is the group that always separates the workers in Canada as to whether they work for the public sector or the private sector. They consider public sector workers as some kind of a lower form of life or a lesser form of citizen because those people have dedicated their lives to public service through employment by the government.

In some way, this party feels that that makes them a second-class standard of citizen, and that bothers me. It brings to my mind the recollection of something that happened in British Columbia back in 1983, and that was the so-called restraint program that was brought in by the William Bennett government. Everybody knows Bill Bennett, the premier before Bill Vander Zalm.

Some people might know that his chief strategist of the time was a man called Dr. Norman Spector. One of the things that Bill Bennett has bequeathed to the people of Canada, through the Prime Minister's office, is Dr. Norman Spector and the way he manages politics within a province, in the case of British Columbia, or within the country in the case of Canada.

Back during what was called the restraints era in British Columbia, the government used the excuse of a world-wide recession, declining revenues, problems with profits in the industrial sector, problems of profits in the private sector, to take the meat axe to government programs.

He especially targeted certain programs that Conservatives do not like. For example, he targeted the Human Rights program in British Columbia and he cut the teeth out of that program. He targeted protection for tenants in British Columbia and he cut the teeth out of that program. He targeted welfare services, and in particular services to families, and he cut the resources out of that program.

He took a look at the fact that the government of the day employed family service workers and he fired those family service workers. He said the reason for this is the restraint program. The cupboard is bare, he said, to use the exact same words that were used by the President of the Treasury Board. The cupboard was bare.

He used that program to take a direct attack on employment in the Public Service in British Columbia, and that during that restraint period was when the government of British Columbia began to contract out employment in that province, began to cut the wages of civil servants in that province. It is interesting, to my memory, when I read the line in the budget that says: zero, three and three. When they get that 3 per cent, for every 3 per cent they get they are going to fire civil servants in order to keep the wage package at the same price. It is exactly the same policy that was brought forward in the government of British Columbia when Bill Bennett was premier and Dr. Norman Spector was his chief strategist. That is where we got the program. That is where this kind of restraint policy has come from. This government has been Bennetized, it has been Social Creditized and that is where the problem has come from. It is exactly the same kind of right-wing Conservative ideology that has prevailed in the province of British Columbia under Social Credit, and now this government is being Social Creditized and that is why we have this attack on the Public Service.

It is strange that the technique, Mr. Speaker, that was used by the government in British Columbia was to divide the sectors of British Columbia society and the various social economic classes in British Columbia against each other.

When I hear these members saying: "Why should the Public Service have average wages of $33,000 a year when people in my riding and people across Canada have an average of $27,000 a year", my answer to that is: "Why are these people not bringing up the level of wages in Canada so that people who are working for a living and working hard, whether they are in the public sector or in the private sector, are not being forced to live below the poverty line, have sufficient wages to make ends meet and to bring up their kids and to send them through school". Why is this government not acting to do that? This government and its members are saying: "We have got thousands of people, we have got 1.5 million people out of work in this country. They would gladly have those jobs that the Public Service Alliance are striking from and staying away from". What is this government doing to make sure that it does not have 1.5 million people out of work? Why is it not developing policies to get those people back to work instead of, as the member for Humber—St. Barbe—Baie Verte said, developing the politics of envy so that people in this country are envying each other's jobs?

• (2100)

We could raise the minimum wage in this country. We could improve the rights to organize and bargain collectively in the private sector so that we would have an increase in wages in those sectors and there would not be the dramatic kind of differences we have in terms of income in this country.

Mr. Speaker, you have given me the signal that I only have a few minutes left. It seems to me that this government is talking about the cupboard being bare. Whenever labour comes to the cupboard, the cupboard is bare. Whenever families come to the cupboard seeking help for child care and for family services, the cupboard is bare. Whenever pensions come to this government seeking an improvement in their pensions so that they could make ends meet, the cupboard is bare. And yet when an election is called in British Columbia and the Social Credit Party needed something to bail them out to improve their chances, suddenly $236 million appears to buy a KAON project in British Columbia.

The same thing happens when the rich are seeking tax concessions and since 1984 the rich have seen their tax burden reduced by 6 per cent in this country. Whenever the rich and the powerful and the wealthy corporations come to this government, the cupboard is never bare. This government is always prepared to serve the people that it feels it represents and the people that it feels it should serve.

This is an ideological bill. This is a political battle. It is the Conservatives trying to destroy the wages and benefits of the Public Service in this country and trying to lower their wages under a general policy of lowering the wages and working conditions and standard of living of all of the people in this country other than the people that they have elected themselves to serve and that is the rich, the wealthy, the powerful and the large corporations who have been released of all of their burdens and obligations in terms of supporting this country.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wished to join the debate earlier in the day when the day when the member for Laval East was speaking because he was making some very good points on the hypocrisy involved in the union leadership here. He made reference to how they handled their own employees, when they faced the situation of having to deal with their own employees with regard to their own contracts, those people who work for the union leaderships themselves.

The member pointed out that in a time of restraint they too had to recognize that times were tough. What did they do, rather than have a fair system that is fair to everyone concerned, as this legislation is and as our budget was which announced the zero, three, three, not only for the Public Service, but for members of Parliament, the Prime Minister and straight across the board, everybody gets zero, three and three? Well, that was not quite the way they handled it in the unions with their own employees. In fact, there were some layoffs and reductions of salaries.

I was looking, as the member for Laval East spoke, at a column in *The Sun* newspaper by Ron Corbett. The business editor called it the union game. On some other union negotiations he is quoted as saying: "The feel-good phrases about workers' rights and job security seem like hollow come-ons when you look at the contracts unions give to their workers. As for the union leaders themselves, they seem a little more than tin pot ego maniacs; people driven by the hunt and the thrill of

victory rather than altruistic concerns for Canadian workers."

The fact is, Mr. Speaker, these union leaders always portray themselves as the altruistic ones. The morally superior ones, which would also make them hypocrites, I guess.

To these union leaders it is a game, a game played by schoolyard bullies who got addicted a long time ago to power and fame, bullies who threaten and intimidate union members and the public to incite violence and to counsel their members to provoke the police and to take part in illegal activities. I think members saw today a memo that was circulating around the Hill to strike and picket captains, Tuesday, October 1, 1991, indicating the targets for today's violence and illegal tactics. The strategy, as outlined in this memo to strike and picket captains, was to delay buses as long as possible. They would be buses used not only by union members trying to go to work but buses used by people going to work in all fields.

Again they were not just union members, but anyone who takes the morning bus: teachers, kids going to school, hospital workers and clerks. These were the people being inconvenienced by this union activity.

The memo goes on and I will quote the strategy: "Please note this is an illegal activity and will provoke police activity". These are union orders. Go out and break the law. This is a position, no doubt supported by the NDP, to go out and break the law. This is the counsel we are getting from the union leadership. These tactics will not gain the respect of Canadians nor will they affect the resolve of this government.

I cannot believe that decent, hard working public servants want to break the law, certainly not to justify the egos of game playing union leaders. I believe our public servants understand the need for restraint. They are prepared to accept the government's offer and they want to work.

The Globe and Mail quotes Jim Chorostecki, the senior Public Service union representative in Toronto:

> There is a real strike fatigue setting in. People want it to be over with and resolved and quite frankly, our members want it to be resolved too.

That was certainly the impression I got this week in my own constituency when I spoke to union members. A young man came to my office and told me that he and his wife had just purchased their first home. They have an 18-month old baby. He is a fellow who wants to get back to work. He feels intimidated by union pressure in his own riding. He told me that he had not had an opportunity to vote for this union leadership. He did not have an opportunity to vote for a strike.

An hon. member: Where was he? Asleep?

Mr. Richardson: I will not answer the member over there. Surely members of the Public Service ought to have a vote on this action right now.

Let us have them take a secret ballot vote. Let us have an unpressured, unintimidated vote without the pressure of union leadership, a secret ballot.

I would suggest that if a vote was held today among rank and file, a broad section of Public Service would want to get back to work. Responsible leaders would vote and members of the Public Service would vote to go back to work.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, last night, when I made a very brief speech on this bill, I indicated to the House that in my opinion the government was doing things badly with regard to public servants.

[*English*]

Today, I want to elaborate on a couple of the points I started on last night. My main criticism of the government's handling of this affair was that members of the Public Service Alliance were offered a zero per cent increase at the bargaining table earlier this year after having been told they could get up to 3 per cent in the course of negotiations and after a pay increase had been given to senior public servants earlier this year of 4.2 per cent. I think I am correct in that figure.

The hon. member for Ottawa—Vanier indicates that is correct. He is very knowledgeable in this field and I am sure his figures are better than mine.

The government was saying that a raise would do for the well-to-do, but a zero per cent increase was quite satisfactory for the lowest paid in the Public Service. That was the effect of the wage offer that was made earlier this year.

That offer was made at a time when inflation was running at 6 per cent in Canada. This was not a case of a year when zero per cent might not matter. Why was inflation at 6 per cent? It was because of the GST. The GST did more to drive up the rate of inflation in this country than anything else the government could have done. It imposed the tax on January 1 of this year, contrary to all the advice it got from the opposition in this House, contrary to the expressed wishes of millions

of Canadians who signed petitions and sent them to this House objecting to the tax. It was contrary to the wishes of millions of Canadians expressed in polls which the government itself conducted I submit and which were conducted by various other agencies and submitted to the government for its approval. That tax was almost unanimously condemned by Canadians. It led to an increase in the inflation rate.

• (2110)

The government said to its lowest paid public servants in the face of that: "You get zero while inflation goes to six". Members can correct me on this, but I believe the Minister of Finance announced that his inflation target for next year was something like 3 or 2 per cent. In fact, I think it was to be 2.5 per cent by the end of this year if I am not mistaken.

If we achieve that target and these people get 3 per cent next year, they will hardly improve their lot in the face of inflationary pressure. Yet this year they get zero and inflation is six. That is like a 6 per cent cut in your wages, if I am not mistaken. You might as well take home less and they will take home less.

I think that is something that Canadians forget. Zero per cent increase for these public servants will mean a substantial reduction in take-home pay. Why? Because of the hidden taxes that this government has imposed on those people. It has increased by one-third the contributions to unemployment insurance in the last budget. It also took off the indexation of personal exemptions in the income tax which will result in a sneaky, hidden tax applied to all these people who get a zero per cent increase.

Other Canadians are not getting a zero per cent increase. Very few are. This government is gouging its lowest paid workers in an unfair way and it knows it.

An hon. member: What about the ones who lost their jobs?

Mr. Milliken: What about the ones who lost their jobs, says the hon. member. His government fired them; 15,000 of them. He should be ashamed of that record. If I were in government and I had laid off 15,000 workers, I would be ashamed and disgraced. It has not brought the deficit down one bit by doing it. It is still over $30 billion. The hon. member should be ashamed of his government's record. He should be repenting in sackcloth and ashes instead of sitting there heckling a sensible speech.

An hon. member: You don't believe it.

Mr. Milliken: I do believe it. I would be ashamed of such a record and so should the hon. member.

How can the government claim that this is fair? In 1983-84, there were 258,000 person years in the Public Service of Canada. In 1990-91, that was down to 221,000, a reduction of 37,000 person years. Hon. members have the gall to applaud this kind of figure but they know that most of these jobs have been just contracted out to other agencies. We know who is pocketing the difference. The fat cat Tories who are contracting for all these jobs through the Department of Supply and Services.

They have set up their employment agencies. They send their persons into work for $5 an hour for the government and pocket the difference because it has not reduced the cost of administering the Government of Canada and the government has never produced a tittle of evidence to show that it has saved money in that respect.

Yet the government says the civil service, having taken all these cuts, must still pay more. It has got to pay by taking zero per cent increase during this financial year and as I say, at the worst possible time and only for the lowest paid. The others take theirs next year when the inflation rate, if the minister is correct—and he usually is not—but if he is right this time the inflation rate will be 3 per cent. They will get 3 per cent which will keep them very comfortable, thank you very much.

We have got the other sad part of this whole equation. For 25 years in this country, the government has enjoyed good labour relations with its public service. Sure, there have been disagreements, sure there has been back to work legislation before. There has never ever been back to work legislation where the workers were sent back with zip. That is what they are being asked to do by this bill.

Always the legislation has provided that an independent arbitrator, mediator, conciliator or whatever, would be appointed to decide what is fair between the government and the public servants. This time this government says: "We know what is fair. Zero is fair for you. That is what you're getting and that is what we are putting in this

bill". That is not fair. It is quite inequitable. It is quite unjust.

We in this party oppose this treatment. We oppose it not because we think that the strike is good or because we think that Canadians enjoy having a strike on their hands. We oppose it because we say this is unfair. It is the wrong way to treat your employees. We believe that an employer, whether it be a government or not, has an obligation to act with some degree of fairness. This government is not showing fairness.

We have never had this kind of legislation in Canada before. As soon as we get rid of this government, we will never have it again. I want to say that I agree with the comments that have been made by hon. members opposite in one respect, and that is that this strike is a major inconvenience for Canadians, both for Canadians who are on strike and those who suffer as a result of the withdrawal of services. I recognize it. I think every member of this House would recognize it. All of us through our offices and staffs deal with public servants across the country from time to time. They provide us with advice, information and assistance in dealing with constituents' complaints.

I am very much aware of the fact that the public servants in my riding are out on strike. I miss having them at their jobs. I am sorry they are out on strike and I have told them so. But I do not blame them when I see the shabby way they have been treated by the Government of Canada.

As an employer, I think this government has an obligation to do something to be fair to its employees and this government has abdicated that responsibility wholesale.

I want to talk about another aspect of this, because many years ago there was another bill before this House. I would like to read a quotation.

Madam Speaker, perhaps you could identify the speaker of these words:

> There was a time when public servants and members of the government viewed themselves as trustees of our money and acted accordingly. The example was set by government in that it had an obligation and responsibility to be frugal and efficient in the spending of our money. Frills were to be avoided in the way that they would be avoided by any trustee if he is to have the respect of the individual whose funds he administers. That, however, seems to have gone by the board. Frills and wasteful spending are the norms for this government, and represent one of the root causes of inflation.

An hon. member: Who said that?

Mr. Milliken: Who said that, the hon. member asks. Has he any idea who said it. I will give him a hint. The date was December 1, 1975. Any clues as to who might have said it?

Perhaps hon. members do not recognize the words of the government House leader today. Yes, the hon. member as he then was, for Calgary Centre. Maybe he still is. It may be Calgary something else now. But in any event, he said these words. Yet he is the one who is part of a government that spent $24,000 to study the shrubs at Sussex Drive. This is the way trustees look after their accounts and their money? I do not think so.

Yet he stands up in this House, along with his cabinet colleagues and says the public servants of Canada do not deserve an increase. After all the years of effort they have put in for the Government of Canada, they get zero in a year when the inflation rate is 6 per cent because of the activities of this government.

Madam Speaker, I will have no trouble voting against this bill.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, I think I could start by simply saying "here we go again". The Canadian people who are watching this debate must be wondering if we are in the same House. Obviously the message on that side is the same, consistently wrong, trying to hide the reality of the real problem. The problem is simply this. The Canadian government is exercising restraints in all quarters. We expect the Public Service Alliance to do the same thing.

To put the focus of the debate into context, we have to take a look at what the public servants of Canada get today in comparison to the private sector and whether they are or are not better off than those of us who work in the private sector.

This is what they have now. They have an average salary of $33,500 a year, well above the national average. Back in my riding people will work for less than half of that and be happy to get it. In an area where unemploy-

ment is 15 and 20 per cent, no one argues with $33,500 a year.

We all know that not every public servant makes that, but that is the average. They have a fully indexed pension, a pension that is indexed to the cost of living. Again, in the private sector, not too many Canadians enjoy that. It is a degree of security that most any Canadian would love to have. They have one of the best employment security protection plans in Canada. Again, not too many public servants have to worry about losing their job. They do not have to worry, as they do in the private sector, about a plant closure or whether the plant has to compete with someone else next door. They do not have to compete. They just do their job. They do not have to worry about a layoff in the normal day to day actions of the government.

• (2120)

They have a full range of employment benefits, including a subsidized health plan, a subsidized disability insurance plan, a fully paid sick leave, generous vacation benefits, family related benefits including subsidized maternity leave.

To me, that is pretty good, Madam Speaker. Let us take a look at what we are offering them. We are offering them a wage consistent with the government's budgetary guidelines, which apply to the Public Service employees, ministers, members of Parliament and senators, as well as their staffs, the Canadian forces, the Royal Canadian Mounted Police. Those two receive zero per cent in the first year and they have accepted 3 per cent in the second year.

In my riding, in my constituency office, I was confronted by PSAC demonstrators. It is interesting to note that my small town is a town of less than 5,000 people and that is where I have my constituency office. The rank and file PSAC members in that town did not want to go on strike. So what did they do? They bused them in from a larger centre, from one of the cities of New Brunswick, to demonstrate.

I did not know them and they did not know me, but they wanted to confront me, so I went out to speak to them. I simply told them, and they did run the story in our local newspaper, that most people in our community have absolutely no sympathy for them. The truth is, the people who are doing all of the demonstrating, hollering and screaming are not from my community because most public servants in my constituency want to go to work. They want Daryl Bean to settle.

I have received letters from many of them in my riding who want a settlement. They will accept the zero, three and three because they understand the realities of Canada, the realities of a downturn in the marketplace internationally in the last year. They understand what a recession is. They do not want to be off the job, they want to go to work. But Daryl Bean does not want them to go to work.

Think of some of the absurdities of some of the things that Mr. Bean is preaching and advocating. He is famous for mentioning, or suggesting, that this is not a strike with the Canadian people. He suggests that no, the fight is not with the Canadian people, it is with the government. He would not suggest for a moment that we are going to inconvenience the Canadian people.

Listen to this, and I quote from the *Globe and Mail* September 17, Mr. Bean: "We are in a fight with the Canadian government but we are not in a fighting position with the Canadian people." But they go on in this same article to point out and point out very clearly that western grain shipments have been stopped. They are stopped, Madam Speaker, to the tune of about $36 million a week. In fact, this week's estimate is $50 million a week.

Can the grain farmers of Canada withstand that kind of torture? I suggest they cannot. With grain prices depressed around the world and the huge treasuries of European countries and the United States treasury subsidizing grain and hurting our Canadian farmers, can they afford to have their grain sitting idly on the rail tracks in western Canada or any part of Canada? They cannot.

Who is he hurting? He is hurting Canadians. Mr. Bean is hurting Canadians and they are doing the same thing with the trucking industry. His intent, Madam Speaker, is to bring the entire economy to a crashing halt because he has no regard for what makes Canada work. He does not want Canada to work. He has not taken the example that he should take from other provinces. We are not the only government in Canada that has to deal with the realities of paying the bills. Four provinces have implemented a zero per cent pay raise for the first 12 months. Included, of course, is my own province of New Brunswick. But it also includes the province of Newfoundland,

the province of Nova Scotia and the province of Manitoba.

Of course, Mr. Bean fails to acknowledge that four non-PSAC unions have negotiated settlements with the Government of Canada under the guidelines that I mentioned earlier on.

So Mr. Bean is the man who has perpetrated this. He is the man who has almost demanded that his membership go on strike. I cannot, for a minute, believe that *The Ottawa Sun* is on the side of the government, but I will read this one because I think it has been very, very fair in this, Madam Speaker. It states: "From our corner there was absolutely no reason for Mr. Bean to walk away from the negotiation table, and certainly no reason for him then to run to the media and blame Treasury Board for breaking off the process."

They have demanded that this thing go public and they have taken it public, but I do not think the Canadian public are in a position to give them much sympathy because they understand the restraint that we are facing, all Canadians from coast to coast, whether you are speaking in Newfoundland or British Columbia. All governments are operating under extreme fiscal restraint, extreme fiscal pressure and Mr. Bean has no regard for that at all. He simply wants to take them through this whole ugly process.

One of the journalist writing in *The Ottawa Sun* mentioned: "This is not a pretty sight when normally civilized civil servants begin acting like postal workers". They go on to say: "But this is what happens when a supposedly intelligent union like the Public Service Alliance of Canada allows its leadership to inbreed its principles with rogues". It goes on to say: "When PSAC President Daryl Bean said he was not above civil disobedience he was stealing a page straight from the strike training manual of Jean-Claude Parrot, the man who turned the Canadian Union of Postal Workers into a pack of Pavlovian wolves".

That pretty well sums it up, Madam Speaker. That is his intent, to stir them up, agitate them, but with no regard at all for the Canadian public.

The government recognizes the importance of the Public Service and has high regard for its Public Service employees. It is very, very sad when an individual like Mr. Bean can bring about a strike like this that could very well cripple the Canadian economy just at a time when we are on the road to recovery and we cannot afford a strike of this nature.

Mr. Réginald Bélair (Cochrane—Superior): Madam Speaker, it is with a great deal of concern that I rise tonight in this House to speak on Bill C-29.

This is a bill that will see some 160,000 members, including the lowest paid of Public Service employees such as clerks, ships' crews, employment centre workers, hospital service workers, who will be legislated back to work with no possibility of conciliation, mediation or arbitration as we are getting very, very close to ten o'clock.

This bill will create a precedent about the rights of working people in this country, including the government's employees, to free collective bargaining.

The government's absolute refusal since February to negotiate until the union would accept a wage control package even before negotiations even began could only result in the situation that is before us today.

My leader put it so well in the House when he said: "This government does not want to solve the problem. It tries on confrontation all the time. It is not the problem of looking at the deficit figure that is the preoccupation of this government today, it does not look at the figure for the deficit at all, it looks at the Gallup poll deficit where they are dead last".

I honestly believe that this government took another chance and rolled the dice. It probably thought the dice were loaded in their favour. Lo and behold, once again the government was wrong.

The government was certain that the people of Canada would support it in giving it to the Public Service. Unfortunately for the government, the Canadian public became quickly aware of what it was doing to the Public Service. It was stifling those who worked to offer federal government services to the same Canadian public.

Canadians are now realizing that the government was and is attacking the lower level classifications in the Public Service. The day before the former Minister of Finance tabled his budget on February 26, the Tory government gave an increase of 4.5 per cent to the

highest paid government workers. Two days after that they had a new policy. They decided on zero for the people at the lower end of the scale. This was a deliberate provocation and now, in an attempt to extinguish the incident, the President of the Treasury Board states: "For managers we have frozen the budget for salaries and bonuses. They are frozen at the same level as last year". This is false.

• (2130)

History will not remember this government as a caring one. The Canadian people are in need now. The government's intention to reduce the deficit at all costs has created an inflation rate of 6 per cent. Of the 6 per cent inflation rate, half of it was created by the government's policy of higher taxes including the GST.

The conciliation board reports have concluded that: "Major stumbling blocks to negotiations is the employer's position on wages for the next three years".

Before bargaining even began the government said it would legislate strikers back to work and impose the zero, three and three solution. The Liberal Party supports collective bargaining including the right to strike. The Leader of the Official Opposition even wrote to the Prime Minister urging the government to return to the bargaining table to reach a fair and equitable settlement and avoid disruption of services to Canadians.

All the government needs to do is appoint a mediator, get back to the bargaining table and show that it is looking for a solution instead of fostering confrontation.

The government has deliberately played politics with the fundamental infrastructure that keeps the economy of Canada running. It has deliberately provoked a strike that has disrupted transportation, the movement of goods and services, the movement of Canadians, and our social programs.

Clearly the government knew when it introduced the budget in February that it had no intention of negotiating. It could have anticipated today's situation, yet it chose to use the power it has to designate the people working in crucial areas of government operations as essential workers.

This is just another indication of the government's intention to create conflict and destruction of services to try and recoup some of its rapidly disappearing support by legislating them back to work.

As my leader said, this legislation is not necessary. There is no need for it. If the President of the Treasury Board and the government had really wanted a settlement, they would have acted in good faith and negotiated.

There is Tory bonus money available for the bureaucratic elite—lots for the fat cats but no funds available for the work horses.

I want to wrap up by saying that our party will vote against this bill. There would be no strike today if it were not for the misjudgement of this government. The hardship that this strike has caused in this country could have been averted if only the government had named a mediator at the right time.

Mr. Brian O'Kurley (Elk Island): Madam Speaker, I rise today to speak to this legislation not only because it is important as a current issue but also because the wider issue of labour relations in general is now and will in the future become one of the most important and crucial factors in determining Canada's place among her competitors in an increasingly global economic community.

With respect to this specific issue, I would first like to outline the government's program of fiscal restraint and then I would like to discuss some of the aspects of the current strike. I would like to discuss the legislation and the need for it, and then I would like to wrap up with some observations.

The government and country are faced with a physical situation that must be addressed. Wage restraint is one of a series of measures that the government has taken to contain both the deficit and inflationary pressures. The offer that was presented before the union was not inconsistent with other offers to other Public Service unions across the country. Provincial governments in Nova Scotia, for example, offered their civil servants a zero per cent freeze for two years and we did not see a reaction from the Nova Scotia civil servants to the result of having a strike.

In Saskatchewan as well, there has been a restraint program put on. In Manitoba, there is a two-year wage freeze and in Quebec, Newfoundland and New Bruns-

wick, a wage freeze as well. In spite of the offers of all those provincial governments, the civil servants in those provinces did not feel it was necessary to engage in a confrontation with their governments, perhaps because they realized that wage restraint was not unreasonable.

I recognize the necessity for civil servants to ensure that they do not regress in terms of their purchasing power. But it is important to recognize as well, not only in the public sector but also in the private sector, that when wages rise faster than productivity the result is inflation. If you have a 3 per cent increase in your wages and you have a resulting pressure on inflation that results in a 9 per cent inflation rate, the over-all purchasing power is not generally improved.

In addition to provincial wage offers at zero per cent, we see other examples of wage restraint. The Sydney Steel Corporation, for example, in Nova Scotia offered a zero per cent wage freeze and the labour group there accepted it. Generally speaking, there have been accusations about union bashing and there have been accusations that the government has targeted the worker specifically. But if you look at other government initiatives, with regard to fiscal restraint, you wouldn't really call it union bashing. When you look at the 10 per cent cut in government management positions, including middle management and upper management, and when you look at the spending cap imposed on transfer payments you wouldn't really consider that to be union bashing.

Madam Speaker, governments are not the only ones considering their capacity to pay. Certain employers had to reduce their wage bills in light of their financial resources, as was mentioned earlier. Daryl Bean, among others, had to lay off 15 workers not so long ago. These same workers certainly would have been satisfied with a zero, three and three policy.

It is becoming increasingly more apparent that this strike is not a strike for the workers. It is a strike for the union leaders. This strike is not a strike to gain more benefits and to help out the workers. This strike is a strike to gain more power for Daryl Bean.

As a matter of fact, in a recent communication with the *Ottawa Sun* newspaper, a former union leader —as a matter of fact, he was president of a local with the PSAC union—is quoted as saying "The more I saw, the more convinced I became this wasn't a union for the workers, it was a union for the people at the top."

Madam Speaker, if you look at the results of the union strike vote, you will see that only 24 per cent of the eligible voters voted to support the strike. Only 40 per cent of all eligible members actually voted in the strike vote. Of that 40 per cent, only 60 per cent of the 40 per cent voted in favour of the strike. You do not have to be a mathematician to figure out that less than one-quarter of union members voted to support this strike.

• (2140)

As I mentioned, this is not a strike for the workers. This is a strike to gain more power for the union leaders. We have seen examples of workers being intimidated to follow the union line, union tactics that condone beating people up who want to work. There are even reports of unions bringing in professional agitators and thugs.

This strike is out of control. In Ottawa, there was a report of a mentally disabled contract worker who was roughed up while trying to go to work. She suffered extreme distress, as did her senior mother who was escorting her. As well, a medical doctor was pushed from his bicycle while trying to make it to a hospital to perform surgery. The doctor received a mild concussion. Nurses at veterans hospitals are being prevented from caring for Canada's war veterans. There are reports of handfuls of nails being thrown on airport roads, bridges being blocked, traffic being disrupted.

What is most interesting is the inconsistency that we see in Daryl Bean in that while he insists that his union leaders adhere to the union line, adhere to the union constitution and follow the union rules of going out on strike, even though they may not agree with the strike, he feels that on the other hand, it may be appropriate to disagree with Canadian law. So if the Parliament of Canada passes a law he says union members are justified in continuing the strike and breaking the law. He says it is okay within his own organization. He says union members have to follow the union line and they have to follow the constitution of the union. Well, it cannot be both ways.

This Daryl Bean strike is out of control and Daryl Bean is out of control.

This legislation is necessary. Grain shipments have been blocked. Millions of dollars of grain sales are being lost. Farmers are being hurt. This is not a strike for the workers, it is a strike for the union leaders.

Farm groups are asking for back to work legislation. Border traffic is being disrupted. Vital supplies to businesses are being held up. Business leaders are asking for back to work legislation. Public Service employees are going without pay. Essential service workers are being abused and injured. Nurses are being prevented from caring for Canada's war veterans by Daryl Bean's strikers.

I just want to conclude by saying that the restraint offer by the government is not inconsistent with other government offers. Other government unions did not decide that the strike was in the best interests of their province. The strike is out of control and the legislation is necessary.

Mr. Ross Harvey (Edmonton East): Madam Speaker, I would like to say at the outset that in the last two days I have listened to more blessed codswallop in this place than I thought it would be possible for any one collection of human beings to produce.

Let us take a couple of the highlights in turn. First of all, this concept that Daryl Bean is somehow the demon that is compelling all of these hapless, innocent, sheep-like public servants to suddenly become ravening wolves, clawing at the throats of the Canadian people, is ludicrous, is madness. No one person has the power to effect that kind of response in any large group of people.

All that Daryl Bean is doing is voicing effectively, and I might say with a great deal of restraint, the seething anger of his membership. It is that seething anger that has been produced by this government that is being manifested on picket lines across this country. Nobody likes that. Not even the people engaging in it like it. But to lay the blame for it on Daryl Bean is to completely, wilfully misrepresent the facts of the matter.

The demon in this conflict is not Daryl Bean. The demon in this conflict is the set of policies of a government determined to press down on the people of this country, the ordinary working people in jobs across this country, private sector and public sector, so that their rich friends, their corporate buddies can reap even more of the produce of this country.

The reason the government gives us for the necessity of this bill is basically threefold. Everyone else in the country is getting kicked in the teeth, so why not public servants? Why should they be different? It makes a virtue of the fact that its economic policies are destroying communities across the country and says: " Because that is happening we have got to do it to the Public Service too". That is nuts.

Second, "We have to fight inflation or recession". It changes from speaker to speaker. The fact of the matter is that the public sector wage bill comprises about 3.5 per cent of the total expenditures of this government. To say that somehow by reigning in that 3.5 per cent we are going to bring inflation screeching to a halt in this country, or somehow yank the country out of recession, is madness. It is economic voodoo.

Third, "We have to send a signal that we know how to restrain ourselves and therefore everybody else will too". I have got bad news for the signal is not getting through.

A recent copy of *The Financial Post* carries a story headlined "Recession doesn't hurt bosses' pay". I have a whole table here of the pay rates of top executives in the Toronto area which shows, for example, in 1991 your average president, CEO or general manager is going to get a raise of 10.2 per cent. Your top finance and administration executive is going to get a raise of 8.3 per cent. This is on top of similar raises in the previous two years.

The signal it says it is sending is not getting through. The signal it is really sending is coming through loud and clear. That signal is: "Hey, you big shots, you top rollers, you just keep rolling high because we are in your corner". The proof of that is its utter refusal to change any of the odious personal and corporate tax provisions that might do something to return a bit of equity to the taxation system, to the rates of pay for top executives and thus to the rates of pay of its own people.

For example, the manufacturing and processing tax credit is $1 billion a year, gone like that. One billion dollars, bye, bye. We could pay for a 3 per cent raise for all Treasury Board employed public sector workers this

year with $135 million. In the manufacturing and processing tax credit alone we piss away a billion bucks.

On the lifetime capital gains exemption this year we are going to lose $1.7 billion, more than 20 times what it would take to grant that 3 per cent raise. For every dollar spent auditing corporate tax returns Revenue Canada recovers $17. For an investment of $9 million in audits we could recoup that $9 million we spend and pay for an entire 3 per cent raise. If we wanted to drop $35 million on extra corporate tax audits, we could give every public servant in this country a 5 per cent raise and still have some money left over.

The fact of the matter is that like most of the other economic policies of this government, this bill incorporates a gross inequity and an absolute attack on the people of this country that can least afford it in the interest of the people who least need it.

The proof of that is in the text of the bill itself, and I quote: "This act does not apply to persons engaged as independent contractors", the bill which now already exceeds at $5 billion the total wage bill for Treasury Board employees of $4.8 billion. We are exempting them. We are saying: "Keep rolling high. Keep charging us whatever you want. The sky is the limit. We have the money".

"The Treasury Board may change any terms and conditions of a compensation plan". That is what you get paid in an ordinary person's language. "That is extended under this bill if those terms and conditions are in the opinion of Treasury Board in respect of a conversion or reclassification that is required to implement a new or revised classification standard". In other words, all Treasury Board has to do is wave its magic classification wand and whoever it waves it over is exempted from the provisions of the bill and can get any increase Treasury Board thinks is mighty fine for them.

• (2150)

The nonsense, the prattle or the gibberish we have been treated to at the hands of this government and its backbenches for the last two days is just that. It has nothing to do with the real purpose of the bill. The real purpose of the bill is borne out in the experience of the Canadian people which for the overwhelming majority is tough times and for the privileged few is good times that continue to roll. It is grossly unfair and it ought to be defeated.

Some hon. members: Hear, hear.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Madam Speaker, I would like to take the opportunity in the time available to talk about, if I can, how this strike is affecting a group of people in the country who are under some pretty severe economic conditions themselves, namely the farmers of Canada.

What I want to talk about specifically, if I can, is the Canadian Grain Commission. The Canadian Grain Commission is an institution in this country that is almost 80 years old. It is responsible for the weighing, grading, and setting dockage, which is foreign material in grain, of the grain we consume domestically and of the grain that we trade.

The grain that we trade is very important because when you look at wheat, for instance, 80 per cent of the wheat that we produce is exported. We are very dependent upon exports as far as wheat is concerned. With other grains it is similar. Half the barley we produce is exported. Something like three-quarters of the canola is exported. That market then is very important to us.

The Canadian Grain Commission plays a considerable complementary role in seeing that we export. It has developed a reputation over its life—and as I said it is almost 80 years old—of being one of the best if not the best institution of its kind in the world. When Canada goes to sell we can compete on price. We can compete on reliability of being able to deliver, and I want to say something about that before I conclude.

We can also compete on the quality and the type of product that we sell. There we shine. We do very well. The Canadian Grain Commission, and not a lot of people realize this, is basically funded by producers. It has something like 850 employees. Its head office is in Winnipeg but it operates literally from coast to coast in Sorel, Baie Comeau, Port Cartier, Montreal, Quebec. It also operates out of Thunder Bay and on the west coast and in Churchill.

In short it is in every place that grain goes into or out of a terminal. It operated across the prairies and in certain parts of Ontario. It is right through the country.

It basically is paid for by producers. On a five-year running average over 90 per cent of its operating costs are paid for by producers. It is not the typical public servant in the sense that most public servants have their wages paid by the general taxpayer. In this case the Canadian Grain Commission does a specific job for a specific group of people, namely farmers, and its operating costs, its wages are almost entirely paid for by producers.

There have been suggestions in here that we have rich friends and those who can the least afford it are being attacked. In this case I want to point out what the Public Service Alliance has done for farmers.

I could make the case that the price is as low as it has ever been. Farmers are currently being paid prices that they received for a product 20 years ago. To put it into perspective, all of us would find considerable difficulty running our businesses or running our households with today's expenses on an income that we had 20 years ago. Bear in mind that most of the income that grain producers receive in this country comes from exports.

What we have is a situation in which the people who work for the Canadian Grain Commission really work for farmers. We have a case in which farmers are being very much set upon by some international circumstances beyond their control, and heaped on that is a situation in which the Public Service Alliance has taken its people off the grading and weighing function. This means that we have effectively shut down our exports. We have something like 40 boats either due or waiting for loading in Vancouver. It does not make any sense if what you are concerned about is the Public Service Alliance. As the NDP points out, we should be worried about the people who can least afford it, if in fact the Public Service Alliance does not care themselves about people who are suffering severe economic problems. We talk about people who are earning $20,000 and $25,000. Nobody likes to see people in that circumstance if they need more to live on, but let me tell you what the average income of a grain farmer this year is, by statistics, $6,500.

If in fact the Public Service Alliance had chosen to keep about 200 people working, in my view, they could have kept a lot respect among farmers and they would have had a lot more clout with the general public if they had chosen not to take advantage of the situation that farmers find themselves in. That I find very, very regrettable.

Nobody likes strikes. We all lose in strikes. It is basically a lose, lose situation and nobody wins, but surely to goodness there should have been a way in which the point could have been made without taking advantage of people who are already in an extremely difficult circumstance. I find this rather sad especially when you think that over 90 per cent of the wages of a grain inspector comes from the very farmers that he is there to serve.

One of the reasons that we can continue to sell in international markets and do as well as we do is because of the quality of product that we produce. We have also been very competitive price wise, but there is another reason that we have been able to sell and that is our reputation as a reliable supplier. When we say we are going to deliver and when we schedule boats coming into a harbour to pick up grain the grain is there. This does nothing to help us with our reputation as a reliable supplier to the world of a high quality product.

When you have got 40 boats, either due or waiting at Vancouver, and you have got Thunder Bay shut down and you have got Prince Rupert shut down and you have got Montreal shut down, I fail to see how that helps anybody. It damages farmers. It hurts them at a time when they need every bit of possible sale that they can find, when we have a handful of people who can do this.

If the opposition and the NDP have some clout with the PSAC, it seems to me they could have made a lot of mileage if they could have talked to the Public Service Alliance and got about 200 people, I am told, to stay at work. You would have had grain flowing through ports. It would have made jobs for other people. Admittedly, even at very low prices, $2 a bushel is not a lot of money for a bushel of grain, but at least the grain would have kept moving.

What I simply wanted to point out is that when the opposition gets up and talks about the fat cats and the fact that we are damaging people who can least afford to be damaged, that the Public Service Alliance is doing

precisely that. By stopping farmers and keeping people from going to work whose salary is largely paid for by farmers, what useful purpose does that serve?

I am told that in Winnipeg today it was not the people who work for the Canadian Grain Commission that were in front of the building picketing, it was largely people from other federal government operations in Winnipeg. A lot of people there prevented some of the grain commission people from going to work. I find this very unfortunate.

What I am suggesting is that if we want to practice what we preach and to help people keep selling into a market when they are suffering some pretty severe economic problems, I would suggest that no matter how much anyone who works for the Public Service is paid, it would have been much better for everybody to see that these people kept going to work and to take the Public Service Alliance people who are striking, as far as the grain commission, away from the picket lines and let the grain keep moving.

I simply want to point that out again to the opposition that there are ways to make your point as far as the strike is concerned without damaging people that are already being severely damaged by circumstances beyond their control.

• (2200)

Mr. Sid Parker (Kootenay East): Madam Speaker, I welcome the opportunity to participate. I want to say to the former speaker who just finished speaking that the minister should have mediated. If the government was so proud of the things that it has to offer the public servants, go to mediation and let an independent, impartial person listen to those kinds of disputes, not pit farmers against workers and workers against farmers and pensioners against pensioners. It tried to take away the farmers' help that is required. It divides and conquers and brings about that kind of confrontation. It is a matter of trust and no one trusts this government to bring about the kind of policies that are required.

It had to bring about this legislation and say that it wants to do away with the deficit because of it and the very people it is are going to use to try to implement those policies are the very workers that it wants to be able to bring about those changes. It is going to deny them the right to be able to deal with its problems.

Tomorrow, in front of these buildings we are going to see a demonstration. They are already starting to put up the barricades in front of this building and the government says Daryl Bean is to blame.

There were 20,000 protesters out here two weeks ago. Our House leader brought about some kind of conciliatory report to bring you two together, and the government failed. It failed the workers.

[*Translation*]

Madam Deputy Speaker: It being 10 p.m., pursuant to order made Tuesday, September 17, 1991, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of Bill C–29 at third reading stage.

The question is on the motion by Mr. Loiselle. Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members haven risen:

Madam Deputy Speaker: Call in the members.

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

(Division No. 44)

YEAS

Members

Anderson
Attewell
Belsher
Bertrand
Bjornson
Blais
Bosley
Bourgault
Brightwell
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Yellowhead)
Cole
Corbeil
Couture
Danis
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Friesen
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Hudon
Jacques
Jelinek
Joncas
Koury
Langlois
Layton
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDermid
Merrithew
Moore
Nicholson
O'Kurley
Porter
Reid
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Wenman
Wilbee
Assiniboia)
Winegard
Andre
Beatty
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Boyer
Browes
Cardiff
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Collins
Côté
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Greene
Guilbault
Halliday
Hawkes
Hogue
Horner
Hughes
James
Johnson
Kempling
Landry
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McCreath
McDougall (St. Paul's)
Monteith
Mulroney
Oberle
Plourde
Pronovost
Reimer
Robitaille
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Turner (Halton—Peel)
Van De Walle
Vézina
Weiner
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—131

NAYS

Members

Allmand
Angus
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Benjamin
Black
Blaikie
Breaugh
Butland
Callbeck
Catterall
Clancy
Crawford
Dingwall
Edmonston
Fisher
Fontana
Fulton
Gaffney
Gardiner
Gérin
Guarnieri
Harvard
Heap
Hovdebo
Jordan
Keyes
Kindy
Langan (Mission—Coquitlam)
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacDonald (Dartmouth)
MacWilliam
Marchi
McLaughlin
Milliken
Mitchell
Nault
Nystrom
Parent
Peterson
Pickard
Proud
Rideout
Robinson
Rodriguez
Samson
Skelly (North Island—Powell River)
Speller
Stupich
Waddell
Wappel
Wood
Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Brewin
Caccia
Campbell (South West Nova)
Chrétien
Copps
de Jong
Duhamel
Ferguson
Flis
Foster
Funk
Gagliano
Gauthier
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen
Langdon (Essex—Windsor)
Laporte
Leblanc (Longueuil)
MacAulay
MacLellan
Manley
Marleau
Mifflin
Mills
Murphy
Nunziata
Pagtakhan
Parker
Phinney
Plamondon
Prud'homme
Riis
Rocheleau
Rompkey
Simmons
Skelly (Comox—Alberni)
Stewart
Vanclief
Walker
Whittaker
Young (Beaches—Woodbine)—108

PAIRED—MEMBERS

Atkinson
Clifford
MacLaren
Redway
Blondin
Cooper
Nowlan
Tremblay (Rosemont)

Madam Deputy Speaker: I declare the motion carried.

Motion agreed to, bill read the third time and passed.

Madam Deputy Speaker: It being 10.30 p.m., the House stands adjourned until tomorrow, at two o'clock p.m., pursuant to Standing Order 24(1).

The House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Wednesday, October 2, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

COLLECTIVE BARGAINING

Mr. Bob Wood (Nipissing): Mr. Speaker, the double standard of the government has once again fallen upon us.

This time the government has taken away the fundamental right of collective bargaining for over 110,000 workers by invoking back to work legislation for the Public Service.

With this action the government is ignoring impartial reports of several conciliation boards. It is acknowledging, however, that it is bargaining in bad faith. It is disregarding the laws of the land for its own purpose, all of this from a Prime Minister who said that he wanted civil labour–management relations.

Where is the justice in all this? Where is the justice? A day after the last budget announced the wage freeze, managers got their bonuses and the workers got nothing? Indeed, some managers in departments like John Crow of the Bank of Canada who are supposed to be leading the fight against the deficit have publicly stated that they are not obliged to follow any budgetary measures and that they would only consider them.

This government likes to talk about fairness, competitiveness, and the need to work together and yet does nothing about it. As most other industrialized countries are forging the necessary links for co-operation between government and labour, this government is seeking confrontation.

All of this is in the face of a report that says: "Canada for the second year running is the least competitive G–7 country". Perhaps this is so because we have the least competent government.

* * *

FREE TRADE AGREEMENT

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, Babcock Industries Canada, a subsidiary of FKI, has announced reorganization plans which include the closure of a cable manufacturing plant in Arkansas and changes in Michigan. At least one product line and 50 jobs will be transferred from the U.S. to the Dominion Controls plant in Stratford.

The decision to place new work in Stratford was heavily influenced by the skilled, efficient work force in that plant. The company expects to be better positioned to supply more efficiently its customers with all product lines.

We have heard much of the negative effects of the free trade agreement and the revised auto pact. I am very pleased that this announcement is still another positive effect joining two others in my area which I can quickly mention: the doubling of space at FAG Bearings in Stratford, and the location of the Hays Dana plant in St. Marys near Stratford.

The free trade agreement is delivering jobs to Canada.

* * *

FRASER RIVER

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the Fraser River in British Columbia continues to be under pressure from pollutants and water diversion projects. This government has the nerve to appeal a court order requiring an environmental assessment of the Kemano Project and would appear to be delaying a comprehensive report on the health of the river.

Earlier reports have resulted in groundfish advisories and native elders have been found with poisoned tissues. The major report studying the state of dioxin contamination of the river from the upper watershed near Prince George down to the estuary is six months late and may not be released until 1992.

The health of the Fraser River is too important to delay. We have to clean up the river now.

* * *

[*Translation*]

COUP IN HAITI

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, just a few months ago, a legitimate government was put in place in Haiti following clean and democratic elections. The coup mounted by General Cedras which forced president Aristide into exile yesterday, is but a savage encroachment on the basic rights of the Haitian people. This coup, Mr. Speaker, must be condemned vigorously. The international community, led by Canada, must spare no effort to restore the democratic government duly elected by the people of Haiti.

Mr. Speaker, all of us in this House are duty bound to support any move or action to enable the Haitian people to get back their president, their democratic system and the freedom they are entitled to.

* * *

[*English*]

SOCIAL PROGRAMS

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, since this government came to power seven years ago it has cut almost every program imaginable. It has cut UI and it has cut old age pensions with the clawback, but the worst cuts of all have come in the area of medicare.

The federal government is abandoning its commitment to medicare by shifting billions and billions of dollars in taxes on to the provinces. Smaller provinces like Prince Edward Island simply do not have the population to support the increases in taxation.

The government is forcing the provinces to choose between high taxation or reductions in medical services. The country can no longer tolerate the cuts in medicare.

Last week the Prime Minister said that the opponents to national unity would have criticized the Lord's Prayer. I would suggest that if the Lord's Prayer were health care this government would have cut it in half already.

* * *

WORLD SUMMIT FOR CHILDREN

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, a year ago at the World Summit for Children world leaders met and pledged to help children around the globe.

On this first anniversary I would like to invite you to participate in the *Keeping the Promise Campaign* from September 27 to October 4. The campaign is serving to ensure that the promises made during the summit are kept. Although some progress has been made there is still a long way to go.

Every day 40,000 children die from malnutrition and disease around the world. Many schools and places of worship around the globe have planned events for this campaign from September 27. Events will be taking place in Ottawa to commemorate the week.

I urge everyone to join in the effort to create a better world for future generations.

* * *

[*Translation*]

TRIBUTE TO LOUIS LABERGE

Mr. Phillip Edmonston (Chambly): Mr. Speaker, today is a special day for the Quebec labour movement, a break, a time-out to give everyone a chance to pay tribute to one of the greats of trade unionism in Quebec, in Canada and even in America, as far as I am concerned. I am referring to Louis Laberge.

Mr. Laberge has been a guiding light for all those concerned with the greater welfare of the workers. His contribution to the shaping of the Quebec society has been unquestionably gigantic. I did not always agree with what my friend Louis said, especially during the 1970s, when he had his mind set on bringing down the system. I am sure that all the members of this House will want to join me in thanking Mr. Laberge for his unswerving commitment to the cause of organized labour and wish him all the best in his new career which can only match the stature of the man.

• (1410)

[*English*]

ATLANTIC SALMON FISHERY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, the process of constitutional renewal in Canada will be expressed in many ways and will always require the highest motives of all groups in our society.

One example of that process and those motives was demonstrated in New Brunswick this summer when those who are devoted to the Atlantic salmon resource were challenged with the vital issue of its conservation.

As I mentioned yesterday, conflicts and tensions run deep on this issue and could easily have erupted into confrontation and chaos. Instead a direction of consultation and communication was chosen, involving all concerned in the quest for a new vision for the Atlantic salmon.

The minister advised yesterday that a conference will now be convened to define that vision. I wish to pay sincere tribute and respect to all who are working to resolve this issue successfully: sports anglers, commercial fishermen, native people and governments alike.

* * *

[*Translation*]

GUN CONTROL

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, yesterday, the tricks of the government whip, who tried to appoint to the legislative committee on Bill C-17 Conservative MP's that oppose the firearms control were brought through light. Mr. Speaker, these members of Parliament do not reflect the opinion of the majority of Quebecers who demand a more strict gun control. Therefore, why does the government persist with this form of obstruction?

Mr. Speaker, rather than trying to improve the bill on firearms, every effort made by these members is aimed at weakening that legislation. When will the government understand that Canadians want a control on firearms? And when will the Conservative members finally take into account the wishes of the population, who demands such a control?

* * *

[*English*]

JUSTICE

Mr. Garth Turner (Halton—Peel): Mr. Speaker, a 19-year old woman from Burlington, Ontario was murdered some weeks ago and her body was found hundreds of kilometres away near the side of Highway 401.

This was a cruel and tragic death, especially because tougher criminal justice laws in Canada could perhaps have prevented it.

I rise in support of a petition supporting the parents of Nina de Villiers, a petition calling for important changes to the justice system and one which has been sent to all our offices.

In part it reads:

> This House should be aware that sentencing in crimes of violence does not appropriately reflect society's abhorrence of violence in order to act as a true deterrent, and to protect the public by removal of the offender from society.

It also indicates that the statutes governing the criminal justice system in Canada must be revised to reflect societal attitudes.

I will sign this petition. For the sake of a life which could have been saved, I implore other hon. members to do the same.

* * *

HAITI

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, we have to make it absolutely clear to the regressive military junta in Haiti that we will not recognize their ugly coup. We will not work with them. We will not co-operate with them.

After a long struggle, the people of Haiti were able to elect their own president last February and for six months he has been trying to establish democracy and social justice in this unfortunate country.

Only last week he made an impassioned address to the United Nations which set forth his goals for his country

and his people. We have to tell the Toutons Macoutes that their day is over. The people of Haiti and the world have had enough of their tyranny and oppression.

* * *

[*Translation*]

COUP IN HAITI

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I wish, on behalf of the members of the Montreal caucus, namely: Mr. Pierre Cadieux, Mr. Gilbert Chartrand, Mr. Jean Corbeil, Mrs. Marie Gibeau, Mr. Pierre Hogue, Mrs. Carole Jacques, Mr. Allan Koury, Mr. Robert Layton, Mrs. Nicole Roy-Arcelin and Mr. Gerry Weiner, to thank you, Mr. Speaker, for allowing us to denounce the intolerable situation that prevails in Haiti. And, while reiterating our support to the Prime Minister, Mr. Mulroney, who adopted a clear position on behalf of the Government of Canada, we want to offer our support and our prayers to all our fellow Canadians of Haitian origin, as well as to the Haitian people as a whole.

* * *

[*English*]

JUSTICE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the de Villiers family of Burlington, Ontario, whose daughter Nina was abducted and murdered in August, is calling upon this government to amend the Criminal Code, the Bail Reform Act of 1972, and the Parole Act.

As a result of the tremendous grass root reaction in support of this tightening of the criminal justice system, a petition has been prepared, of which approximately 1,000 copies have already been distributed across the country. This petition has been sent to every member of Parliament for circulation to their constituencies, if they so choose.

This is not a partisan issue. It is a people issue. I urge all members of this House to support the de Villiers family, all victims of violent crime, and all Canadians in their request for a thorough review of the Criminal Code by circulating this petition and showing this government that the *status quo* is no longer acceptable.

[*Translation*]

RESPECT FOR RIGHTS OF HAITIAN PEOPLE

Mrs. Carole Jacques (Mercier): Mr. Speaker, I would like to congratulate our government for the position it has taken so that the fundamental rights of the Haitian people are respected, as well as for taking the necessary action to help restore the legitimate government that was elected in a democratic fashion, and its president, Jean-Bertrand Aristide.

Congratulations to the Secretary of State for External Affairs and to the Minister for External Relations for having suspended our bilateral aid of $15 million.

[*Editor's note: The Hon. Member speaks in creole.*]

* * *

[*English*]

GOVERNMENT OF CANADA

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, according to yesterday's newspapers, the government is planning to start calling upon the smartest minds in Canada to tell it what to do. Thus this government reminds us that it does not have a mind of its own. What is more, it does not know how to mind the shop.

Mindful of that fact, Canadians have had it with this regime, so much so that the mindless Tories have made up their mind to call on the smartest minds of the nation to tell them what to do.

Mind boggling, Mr. Speaker. Mind you, I have a mind of my own about what the government should do and Canadians all join me in the same frame of mind in saying: "Resign. We won't mind".

* * *

LABOUR RELATIONS

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, labour relations is an important factor in determining Canada's competitiveness in the global economic community.

Most fair-minded Canadians will agree that to be competitive, it is important for governments and industry to be effective. Both labour and management are key elements in achieving effectiveness, not only in the public sector but also in the private sector. What is needed is a new relationship in which both labour and

management share the accountability as well as the decision making.

Unions cannot have authority without accountability. Management cannot assume accountability without corresponding authority. Unions should invest the millions of dollars in strike funds into company shares. Workers should be encouraged to share in the losses as well as the profits.

Let us work together for better labour relations. Let us all work together for a stronger Canada.

* * *

PUBLIC SERVICE ALLIANCE

Mr. Rod Murphy (Churchill): Mr. Speaker, despite what the last member said and despite the unjust attitude and contempt the Conservative government has shown to federal government employees, the Public Service Alliance held a large peaceful demonstration on Parliament Hill today.

Yet, while demonstrators were singing the government tried to provoke a confrontation. As the hour-long demonstration was coming to an end, riot police were paraded out. Daryl Bean and the alliance leadership asked the members to resist the temptation to react. They listened to their leadership.

The question that must be asked is: Why did the government deliberately try to provoke a confrontation?

ORAL QUESTION PERIOD

[*English*]

TRADE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

In 1986 the government, under pressure by the Americans, imposed a 15 per cent tax on Canadian softwood lumber exports. In spite of the free trade deal, signed more than two years ago, the government took off this tax only a month ago, last month. Now the Americans are threatening to retaliate with a new 15 per cent tax on Canadian lumber.

We understand that the Prime Minister discussed this problem while he was with the President of the United States in Kennebunkport in the month of August. We would like to know from the Prime Minister, if he discussed that with the president, what kind of commitment he received from the President of the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I informed the President of the United States of our intention to terminate the MOU, that all of the requirements had been satisfied, that the Canadian national interest and the requirements of international trade law justified the decision, and that the Government of Canada proposed to implement it.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the answen given by the Prime Minister is not satisfactory because, at this time, as the Prime Minister is well aware, they had managed in Quebec to bring the tax down from 15 per cent to 3.5 per cent. Every night on television they show plants being closed in this sector, in the Lac-Saint-Jean area and the Gaspé, in Mauricie, in Abitibi and the Eastern Townships. Can the Prime Minister give the House the assurance that there will be no new 15 per cent tax that would create absolute havoc in the lumber industry in the province of Quebec?

• (1520)

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, as the Prime Minister has said, we believe that the memorandum of understanding has served its purpose. It provided some relief from a very emotional trade dispute at the time that the MOU came on.

We have seen the provinces during this period put in a number of replacement measures to reduce or, in some cases, eliminate the export tax itself. Now we believe that it is time to get the trade and softwood lumber products back on to the normalized trade relationships, and that is our intention right now.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, we would like to know from the government if it has a commitment from the President of the United States when the question was raised with him in August,

because under American trade law article 301 requests the approval of the President before acting.

We would like to know from this government if it has discussed that with the President of the United States and if it has received any commitment from the United States that it would not close down the softwood industry in Canada from sea to sea?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, as the Prime Minister has said, he did discuss it with the President. I have discussed it on a number of occasions with the U.S. trade representative, with the Secretary of Commerce. It is our best judgement that there will not be a 301 response.

We believe that there could be other responses designed to get the trade and softwood lumber products on to a normal trade basis. There are no guarantees in this business, but our best judgement is that there will not be a 301, and that is the basis on which we moved when we announced our intentions.

* * *

AGRICULTURE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the Prime Minister.

Canadian farmers are still looking for straight answers from this government on the crucial issue of emergency assistance. When the Minister of Agriculture was in Rosetown, Saskatchewan, attending a protest rally he said nothing about this issue, but after the rally he told the media that he had no intention of providing emergency aid to farmers. He has never been that blunt on the floor of the House of Commons.

Farmers want the truth and they want it now. It is time that this government showed some integrity on the issue and gave a straight answer. What is it?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, we have been meeting with farmers. There is a meeting at the end of the week in Winnipeg, in fact it starts today, the Third Line of Defence Committee, to assess the problem. We are going to wait until that committee comes with its report.

The other question that farmers are asking is that if we want to help farmers keep some income, why did that member's party vote against sending people back to work, which would keep grain flowing in international markets?

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question again is for the Prime Minister. His government likes to talk about what the government has done for farmers, but there is one fact it never mentions and that fact is that last year alone it slashed payments to farmers by more than $1 billion and that was a time when grain was plummeting to new lows.

Farmers are wanting back what has been taken away from them. They want fairness and only a callous government would not understand that.

I want to know what this government is going to do today.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I do not think that farmers view this government as being callous when it comes to dealing with farmers. The amount of support that we have provided for farmers has been a record amount and most farmers know that, but we also know as a government and farmers know that there is no amount of money that is going to solve this problem for good. The real solution is going to come if we can get some sanity back into international trade patterns. We are working very hard on that. In the meantime, we are going to do the very best we can, as I have said before, to support our farmers to get to through this very difficult time.

I would suggest that if all of us want to support our farmers, and the indication in the House is that we all want to support them, we should support legislation to put grain handlers back to work so that we can see that our grain continues to flow so that farmers have income.

* * *

UNEMPLOYMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is to the Minister of Finance.

The Economic Council today released studies that show that unemployment has been getting worse in Canada, that it has been hurting people for longer periods and that it has been falling harder on poor regions and groups in our country. Yet, yesterday, the Governor the Bank of Canada in Montreal argued that

his policies should ignore unemployment and focus exclusively on price stability.

Will the government recognize that unemployment is a problem in this country? Will it recognize that it must tell John Crow to follow the laws of this land that set up the Bank of Canada and help get people back to work.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, that is an inaccurate and unfortunate interpretation of Mr. Crow's remarks.

In order to have sustainable growth you must have price stability. History will tell you that. The evidence is very clear insofar as the economies of Germany and Japan are concerned. When you have price stability you have sustainable growth, high levels of growth and high levels of job creation. That is a policy we are following and that is a policy that is working.

We have already seen interest rates come down by 5.5 percentage points because we have been able to contain the fires of inflation. The two go hand in hand.

When the hon. member talks about the difficulties, and we share those difficulties, I remind him as was reported today in *The Ottawa Citizen*: "We note that the world economy is at its worst since 1945. This is the first time, according to the United Nations that since 1945 total production and income of all the countries in the world will decline. Canada is included in that unfortunately, but we are well on the road to recovery and we will have sustainable recovery in 1992".

* * *

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is to the same minister. John Crow's high dollar policy has not only created high unemployment, but has artificially reduced the export price of grains and oilseeds.

Will the government admit its responsibility to make certain that farmers have stable incomes instead of a drop of over a billion dollars which it is expecting them to absorb in their net farm income for the crop year just completed.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): I remind the hon. member, and I am sure he is aware of this, that the average level of the Canadian dollar *vis-à-vis* the American dollar has been 92.6 cents average over the last 40 years. To suggest that 88 cents is a high dollar is not necessarily correct in terms of historical averages.

I am sure the hon. member also knows that it is the fiscal problem and the productivity problem that have to be addressed as part of curing the economic ills we face.

As my colleague has indicated, this government has been very generous in support of the agriculture industry. It will continue to be generous during this difficult period of time they are facing, going through a trade war that has been unknown in the history of this country.

Mr. Vic Althouse (Mackenzie): My final supplementary is to the minister of trade. Two separate studies, one in this country and one by economists in the U.K., show that in the subsidy free world that Canada and the U.S. are advocating at the GATT, world prices for grain would, and I quote: "rise up to 12 per cent". On $2 wheat that is 24 cents. Is this the government's final solution. Is this how it thinks it is going to solve the farm problem, with 24 cent wheat?

• (1430)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the hon. member is very well aware of the position that we have taken in the trade negotiations.

We have been strongly against the substantial export subsidies as well as the lack of access, both of which are problems for our farmers in dealing with the European market.

Our strong belief is that if we can get agreement through the multilateral trade negotiations to reduce those export subsidies, and open up access to the European market, we can do a great deal to address the plight of the farmers to date.

That is the position that we have taken in the negotiations as they relate to export subsidies and market access, and we will continue to fight hard for that.

HAITI

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister.

The Prime Minister has said that Canada would not rule out any means, including military intervention, to restore the democratic government in Haiti.

As the Prime Minister well knows when we joined the OAS, Canada especially opted out of the collective security provisions of the OAS charter. In other words, we have exempted ourselves from any military obligations.

What policy is it that Canada intends to follow? Will we meet with the foreign ministers at the OAS today? Is Canada going to be proposing direct intervention, economic sanctions and diplomatic expulsion?

I think Canadians want to know explicitly what it is that Canada is talking about and proposing.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why my hon. friend is so exercised.

Last night on television, he seemed to be saying that he endorsed fully the position that I had taken yesterday, and indicated that the opposition, much to my pleasant surprise, would support if need be armed intervention to restore democracy.

That represented quite a departure from a position taken in this House in different circumstances by the opposition, and it is not one that this government has yet taken.

What we have said, in my conversations with President Aristide last night, the President of Venezuela, the Prime Minister of Jamaica and the President of the United States, is that the Government of Canada will work with our allies at the United Nations and the Organization of American States. What we want is quite simple.

We want the thugs who have usurped power in Haiti out and we want the democratically elected president back in.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, all it shows is that once again the Prime Minister is falling into the trap of selective viewing and seeing only what he wants to see.

The real issue is what means is Canada proposing? What means is Canada going to the OAS Council this afternoon and suggesting be used to restore democracy?

If he was listening carefully yesterday, he would know that my real question is will Parliament have the right to debate and decide any direct intervention by Canada before it takes place.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the last time we consulted my hon. friends in regard to direct intervention around the world, they said no. The first shot and the policy of the Liberal Party was to bring the troops home.

Our friends down there said that it was neutrality all the way. We said that we would stand up and send troops to defend the United Nations. I can tell my hon. friend that we are working for a peaceful solution.

The Minister of External Affairs will be in Washington this afternoon before the OAS and proposing a peaceful solution.

Mr. Axworthy (Winnipeg South Centre): What is it?

Mr. Speaker: The question has been asked. The right hon. Prime Minister is on his feet, wishing to answer it.

Mr. Mulroney: Mr. Speaker, I have indicated to my hon. friend that the Minister of External Affairs will be in Washington to put forward the Canadian position at five o'clock this afternoon.

I spoke with President Aristide last night who expressed his gratitude for the fact that the Canadian government and the people of Canada were strongly supporting his return to power in Haiti, to which he had been democratically elected.

That is the position that we will pursue with our friends and allies at the OAS and at the United Nations. We hope that that peaceful attitude will prevail.

Mr. Axworthy (Winnipeg South Centre): You are dancing in the wind.

Mr. Mulroney: My hon. friend says that I am dancing around. When the dance was called the last time, I knew who to dance with and my hon. friend stood on the sideline.

Some hon. members: Hear, hear.

[*Translation*]

WAGE EQUITY

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the President of the Treasury Board. The Canadian Human Rights Commission is still hearing wage equity cases against the government, while the same government is challenging the Commission's right to settle these cases.

On the subject of wage equity, the Human Rights Commissioner said not long ago that the government should keep its word, and I quote: "Put your money where your mouth is". When will the minister stop fighting equality for women? When will he establish genuine wage equity?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I may remind the hon. member that since this government came to power, tremendous progress has been made. The Liberal Party talks about wage equity, but one wonders where they have been all these years. It was not the Liberals who voted in 1990 to spend $317,000,000 on wage equity. It was not the Liberals who annually set aside $81 million to assist the catching up process. It was this government that put on the table, in front of Daryl Bean, an opportunity to incorporate these amounts in the basic salary, which would make it possible for women to upgrade both their pensions and future increases.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, with my supplementary question I would like to remind the minister that pay equity is not a gift, it is not a bargaining chip, it is a right.

Some hon. members: Hear, hear.

Mrs. Catterall: Equalization payments can be withdrawn at any time far short of what is required. They do not mean equal pension benefits and equal death benefits. They do not mean equality in many domains and I ask when the government will stop its tokenism and give women salaries to which they have a right.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Well, well, well, Mr. Speaker. I am being enlightened every day. If this is a right, where were you all these years on that side of the House?

If we are seeking clarification in front of the tribunal, it is because we have a fair disagreement on the interpretation of principles adopted by this House that are not, in our view, similar to those that are put in place by the commission. We are seeking clarification, nothing else. Meanwhile the cases are being dealt with diligently.

* * *

SOVEREIGNTY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the right hon. Prime Minister.

In a secret memo dated September 3, the Prime Minister's Office warned to expect severe criticism of the cabinet decision to give blanket prior consent for U.S. nuclear submarines to transit internal Canadian waters at Dixon Entrance as the only access route to their new underwater Alaska base.

Since the internal assessment of this cabinet decision has now been completed, will the Prime Minister explain why he is approving this U.S. military project in the face of seven illegal seizures of Canadian fishing vessels in the same Canadian waters by the U.S. military over the last three months.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, in the absence of the Secretary of State for External Affairs, let me just say that our long-standing position as a government is that the waters of the Dixon Entrance are internal waters of Canada and that position remains unaltered.

The waters are subject to Canadian sovereignty and will continue to be subject to Canadian sovereignty.

There are discussions we have been having with the United States. These discussions are ongoing and at this point it is inappropriate for me to comment any further than that.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary is for the Minister of the Environment. In a separate secret memo dated September 11—

Some hon. members: Oh, oh.

• (1440)

Mr. Speaker: The hon. member for Skeena has the floor. The hon. member for Skeena will put his question.

Mr. Fulton: Mr. Speaker, we know why these guys are at 15 per cent. In a secret memo dated September 11 Justice warns not to make public the use of an Order in Council to avoid a public environmental assessment of the risks of nuclear submarine accidents on the health and property of British Columbians.

Since the minister knows that this abusive cabinet process was found illegal in the Kemano case earlier this year, why has the Minister of the Environment chosen to deny British Columbians the right to publicly assess the nuclear and accident risks of this project?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I am glad to see the hon. member found a decoder ring in his cereal box.

Some hon. members: Oh, oh.

Mr. Speaker: The hon. minister will give his answer.

Mr. Charest: Mr. Speaker, my colleague the Minister for International Trade indicated that there are ongoing discussions on this issue and that is the case. As we deal with it, we will also deal with the environmental considerations depending on how the issue is presented to us as a government.

* * *

POVERTY

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Prime Minister.

Today in Canada more than one million children live in poverty. In relation to the top industrialized nations of the world, Canada is next to the bottom of the list in terms of our child poverty rates. Children are our country's future.

Canada's signature on the UN convention on the rights of the child is important, but what is this government doing today to provide the basic needs of food, shelter and clothing to our one million destitute Canadian children?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the statement of my hon. friend is, of course, very misleading. The fact of the matter is—

An hon. member: It is not.

Mr. Mulroney: —very misleading and false, let me add.

Some hon. members: Oh, oh.

Mr. Mulroney: It is. Of the 187 nations at the United Nations, to suggest that Canadian children rank at the bottom of the heap is a misstatement of fact and my hon. friend knows it. In the interest of honesty, I know that she will want to withdraw that statement. It is not the case.

Mr. Wilson (Etobicoke Centre): She is nodding her approval.

Mr. Mulroney: We have made very serious progress on what is a substantial problem ranging from doubling the child care expense deduction for pre-school children, creating a special initiatives fund and a new supplement to the child tax credit. The child tax credit was increased by 50 per cent starting in 1986. It is prepaid for low income families. Tax discounting has been curbed. The GST tax credit includes a benefit for up to $100 per child. The government launched initiatives to counter family violence, help enforce maintenance orders, established a missing children's registry and curbed child sexual abuse.

I think my hon. friend, who is very interested in this very important program, knows that the government and the people of Canada have made substantial progress in this important area. I know with her—

Mr. Speaker: The hon. member for Northumberland on a supplementary.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my supplementary is directed to the Prime Minister.

The fact is that there are still more than one million children living in poverty in this country. I will be happy to provide the Prime Minister with the statistics about where we stand in relation to the top industrialized nations.

According to the 1991 UN Development Program report, Canada's international social sector aid directed to the poor is less than 5 per cent of our aid expenditure. After last year's UN summit for children, our credibility is at stake.

Will the Prime Minister tell us today how, since September, 1990, CIDA policy changes demonstrate increased and additional resource commitment to the world's children?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would ask my hon. friend, in the interests of the House being able to take a look at it, to table the data to which she referred. We will take a careful look at it.

It would be very surprising, Mr. Speaker, inasmuch as the United Nations has just surveyed 160 nations in the world and found that on an objective set of criteria pursuant to the human condition, education, and that involves children, Canada is the second best place in the entire world to live. That repudiates very eloquently those facts and figures.

Mr. Speaker, we have taken a very important lead in regard to the protection of children. We have a long way to go. But in regard to the implementation of the convention of the United Nations, we are asking all of the provinces to make sure that their laws are in keeping with this so that we can ratify it, as I indicated to the United Nations, by the end of 1991.

But I do not think that anyone is helped, least of all the children of Canada to whom we owe so much, by stating misleading information like that.

* * *

TRADE

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is directed to the Prime Minister. I want to indulge the Prime Minister's need for ensuring that the people of Canada have full and complete information.

In his supplementary question, the Leader of the Opposition asked the Prime Minister whether or not the Prime Minister had discussed with the President of the United States a threatened retaliation by the United States to impose a new 15 per cent import tax on Canadian softwood lumber.

The Prime Minister knows that the Canadian export tax is being lifted within a matter of days. He knows that industry and government sources in the U.S. have threatened a new U.S. tax. He knows that that power lies in the hands of the President of the United States through Article 301.

The Prime Minister has spoken to the President. Has he received an assurance that Article 301 will not be invoked and that there will be no new import tax imposed on Canadian softwood lumber going to the United States?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think I answered that question. Let me try again and maybe the hon. member will take in the answer.

We have had extensive discussions with the United States; the Prime Minister with the President and myself with other members of the administration, as well as officials in the United States government.

We have a range of options on the table which are being pressed by various interests in the United States. My hon. friend is very well aware, I am sure, that the industry and some members of Congress have been pretty exercised by the action we have taken to establish the trade in softwood lumber on a normal basis, not subject to these rules where we have to go to Washington and knock on their door and ask for permission to change.

There are options on the table, some of which include a 301; but it is our best judgment—and as I said in my earlier answer there are no guarantees on this—there will not be a 301 action, that we will deal with this in other forms and ways that will put the trade in softwood lumber back on track.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I direct my supplementary question to the Prime Minister.

Prime Minister, we do not want the judgment of the minister; we want to know, Prime Minister, from you—

Some hon. members: Oh, oh.

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

Mr. Tobin: The Prime Minister knows that only the President, not Congress, not the U.S. industry, not interested members of the public, but only the President can invoke Article 301. Has the President assured the Prime Minister that the President will not invoke Article

301 of the U.S. trade act and harm, at a very desperate time, the Canadian softwood lumber industry?

In the interest of all the information that the Prime Minister says he wants, will he tell the House and tell the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I heard my hon. friend. I have already indicated to him that I conveyed to the President of the United States our view and our position, that the MOU was going to be terminated because, in our judgment, all of the conditions in regard to it had been fulfilled and it would be unfair and unacceptable for the Canadian industry to further sustain any of these burdens.

• (1450)

That was a decision of the Government of Canada. We executed that decision as we said we would. The President of the United States is responsible for the decisions of his administration and I am sure he will take whatever—

Mr. Harvard: No commitment.

Some hon. members: Oh, oh.

Mr. Speaker: I am sure all hon. members know that we do the best we can during a 45-minute period to get as many members on their feet as possible. It makes it more difficult for the Chair when answers are interrupted by even good-natured heckling because of course it brings about a further response which extends time. I am sure hon. members will keep that in mind.

* * *

THE CONSTITUTION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

Yesterday the leader of the Assembly of First Nations said there would be a one-month boycott by his organization of the national unity debate, with a request that the government come back with a proposal that is more acceptable to the assembly on aboriginal issues.

In light of the importance of a resolution of aboriginal concerns to the success of the package on constitutional issues, I want to ask the minister whether or not he is in a position today to announce that, first, there will be a substantive change on aboriginal issues pertaining to self-government, and second, a shortening of the 10-year time limit for the resolution of the aboriginal self-government issue.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, the Government of Canada put forward a very serious proposal, going farther than any government has before with regard to self-government for aboriginal people.

I will be very happy to have that proposal discussed before the special joint committee, and improved if possible. The Assembly of First Nations, through its national chief, has a different view, insisting upon the reference to the words "inherent rights." I believe it is in the interests of all of us if the Assembly of First Nations will bring their position to the committee directly, and the national chief come and make his case. My recommendation to him, for what that is worth to him, is that it would be better for him to do that sooner rather than later.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a supplementary question for the same minister.

The rejection of an inherent right to self-government resulted in the failure of the first ministers' process on aboriginal self-government four years ago. The refusal to deal with aboriginal issues in the Meech Lake Accord resulted in the rejection of that accord last year.

Is the minister willing to risk another failure in the current round of constitutional proposals by refusing to consider aboriginal self-government as an inherent right?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): I am in a non-partisan mode, Mr. Speaker, so let me simply say that my recollection of events differs from that of my hon. friend.

Mr. Speaker, I believe that proposals should not be changed before they are discussed. We have a proposal before a special joint committee of this House of Commons and the Senate. It is a place where discussion can occur. I would hope that the Assembly of First Nations, along with the Metis National Council, the Inuit Tapirisat, other aboriginal organizations, and all other interested Canadians will come to the committee

directly and make their case to the committee and not ask that things be changed before there is discussion.

* * *

[*Translation*]

COUP IN HAITI

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, there was a coup in Haiti against the elected government of President Aristide.

Mr. Speaker, I want to take this opportunity to congratulate the Prime Minister of Canada on the position he has taken in this respect.

Mr. Speaker, my question is as follows and it is directed to the Prime Minister: Is he prepared to repeat to the House, the Haitian community and Canadians across this country, what he has done and what he intends to do to ensure that the situation gets back to normal in Haiti and President Aristide is reinstated as the democratically elected president?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I spoke to President Aristide last night. He is more determined than ever to resume the presidential mandate he was given by the people of Haiti. I also discussed the situation in Haiti with President Bush, the President of Venezuela and the Prime Minister of Jamaica. They all share my feelings of outrage at this coup. They are all determined to see the government elected by the Haitian people reinstated. Canada's objective, Mr. Speaker, is quite simple: We want the general, the dictator, to leave and President Aristide to be reinstated as the democratically elected president of Haiti.

Some hon. members: Hear, hear.

* * *

[*English*]

THE ECONOMY

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of Finance. Canadian entrepreneurs are encouraged to export in order to survive. Today we see that the dollar has gone up again. We see that there is almost a 5.5 per cent spread between U.S. treasury bills and our treasury bills. Surely to goodness there is enough room to send a signal to the governor of the Bank of Canada to lower interest rates so this country can start exporting again.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is incorrect. There is about a 2.7 per cent spread on three-month bills and that is the one that is followed. The hon. member knows that interest rates have come down and the spreads have narrowed. That should be a good sign.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my supplementary question is for the same minister.

The spread is still large enough that there is enough room to manoeuvre on those interest rates. Bankruptcies over the last year are up 21 per cent. Canadian companies are fleeing this country. When are you going to announce some kind of a national action plan to allow these exporters to become competitive and stay alive in this country and not leave?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is true there have been a rash of bankruptcies, but I remind the hon. member that they have levelled off. Growth is reoccurring in the economy. The United States in the last quarter was still in a recession. As I indicated, this is the worst situation in the world since 1945. Canada cannot be immune from the world. It is a combination of issues that have to be taken into consideration.

We are concentrating on attempting to get the fundamentals right. Fiscal consolidation and control of inflation are the keys to sustainable recovery, sustainable growth and price stability. That will create a buoyant economy with job creation and the kind of economic activity we will seen right across the country from sea to sea to sea.

* * *

[*Translation*]

QUEBEC'S CULTURAL SOVEREIGNTY

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is directed to the Prime Minister. Two areas in which Quebec expected powers to be transferred were culture and communications. The federal proposals ignored these demands although they were confirmed by a number of commissions, including Laurendeau-Dunton, Pepin-Robarts, Macdonald, Bélanger-Campeau

and many more. Only yesterday, two of Mr. Bourassa's cabinet ministers, Mrs. Frulla-Hébert and Mr. Cannon, said the federal government's offer was unacceptable, and Mr. Bourassa himself is seeking full cultural sovereignty for Quebec.

My question is as follows: How can the government keep talking about a genuine renewal of federalism, when it ignores Quebec's historical demands as formulated by Jean Lesage and Robert Bourassa?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I wish to extend a very warm welcome to my hon. friend, after a friendly evening spent with Preston Manning.

Some hon. members: Hear, hear.

• (1500)

Mr. Mulroney: Mr. Speaker, the hon. member mentions certain problems that some Quebecers have with some provisions, but he should not get all worked up about it. In the field of culture, the main provision that my friend mentioned, one Quebecer yesterday called it a very interesting and rewarding approach—Jacques Parizeau.

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Lac-Saint-Jean): We all have friends, Mr. Speaker. Jacques Parizeau is my friend now and I can tell you that Mr. Manning is a very civilized man with whom one can disagree but still respect him.

Now Quebecers, from Robert Bourassa—

An hon. member: I object!

Some hon. members: Oh, oh!

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I will wait until order is restored, perhaps.

Mr. Speaker: The hon. member has the floor.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, now that Quebecers from Robert Bourassa to Jean Campeau and Claude Béland have rejected the federal offer that sought to take over Quebec's important economic levers and the government is preparing to change its proposal, it must nevertheless realize that a real reform necessarily involves the transfer of powers. What is the government waiting for to make the massive transfer of powers demanded by the report of the federalist party in power in Quebec, the Allaire Report?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have seen everything. The hon. member is now defending federalism again!

Some hon. members: Hear, hear.

Mr. Mulroney: The Leader of the Opposition asks me whether he will be an ambassador a second time. No!

Some hon. members: Oh, oh!

Mr. Mulroney: Now, I could change my mind, depending on the place. The hon. member seems to be quite impressed by people like Jean Campeau and Claude Béland, who are very nice Quebecers and speak in favour of my friend's new proposal, because he was a great defender of federalism when he was here barely a year and a half ago. Now Mr. Béland and Jean Campeau have become his allies, and rightly so because they are great Quebecers. I could also tell him about Claude Castonguay, Alain Dubuc and Claude Beauchamp.I could also tell him about Roger D. Landry, a great Quebecer and a great Canadian who never changes his thinking as he would change his shirt.

Some hon. members: Hear, hear.

* * *

[*English*]

DE HAVILLAND

Mr. Jim Peterson (Willowdale): Mr. Speaker, today the European community announced that it was preventing the takeover of de Havilland by the French and Italian governments. For the last six months there has been tremendous uncertainty about the future of de Havilland. De Havilland has—

Mr. Speaker: Given the time, I would ask the hon. member to put the question very clearly and very succinctly.

Mr. Peterson: Will the minister tell Canadians and give them the certainty that de Havilland and its 4,300 workers need? Will it commit today to ensuring the future of de Havilland and its workers? Will it commit to ensuring that de Havilland continues as a leading aircraft manufacturer in the world?

Mr. Speaker: The question is put. The minister may wish to reply.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, with respect, the hon. member knows that that is a question which is impossible to answer today, on a day that the European Commission has said that it will not let A and A go ahead with the acquisition.

My hon. friend has been against this acquisition right from the start, and now he is standing up on his hind legs trying to look like a defender of de Havilland when he has been—

Mr. Speaker: The hon. member for Terrebonne on a single question, a very short one.

* * *

[*Translation*]

PUBLIC SERVICE

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, in a statement made yesterday evening, the President of the Public Service Alliance clearly stated his intention not to comply with the special legislation and to continue the strike from within. He even said something even more serious, that this strike would only end with the fall or disappearance of the present government.

Mr. Speaker, my question is to the President of the Treasury Board. Following these statements, how does he see future labour relations within the federal Public Service, and does he think that the threats made by Mr. Bean are totally unacceptable and will jeopardize the loyalty and efficiency of the federal civil servants to their primary employer, namely the taxpayer?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, when one is lucky enough to live in a democratic country such as ours, that democracy is an based upon the premises that everybody complies with the law and I assume that every civil servant will indeed comply with the legislation.

I regret that Mr. Bean made those statements. He has been fighting an election campaign since the Budget. I can't help it. As for me, rather than wage an election campaign, I travelled to just about every city in this country to meet with civil servants and try to explain our policy to them. I am sorry that Mr. Bean made those statements.

* * *

[*English*]

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of a working group on newly emerging democracies of the Interparliamentary Union.

Some hon. members: Hear, hear.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I would like to designate tomorrow an opposition day.

* * *

THE LATE FRED WILLIAMS

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, veterans and their families lost a great friend last week with the death of Fred Williams. Mr. Williams was Dominion President of Canada's largest service organization, the Royal Canadian Legion.

[*Translation*]

I say philanthropic organization because this is undoubtedly what the Legion is, since it serves the veterans and their survivors by helping them obtain disability pensions and other benefits. The Legion serves thousands of communities throughout Canada and its deeds of charity are past counting.

[*English*]

Comrades such as Fred Williams are the reason the 600,000-member legion continues to be such a force for good in our country. He was generous with his time and generous with his heart. He was a Newfoundlander who served in the Royal Navy from 1940 to 1946. While he served under the British flag in those years during the Second World War, he fought hard for Canada, especially in recent months.

Under the leadership of Fred Williams, the Royal Canadian Legion launched a vigorous and an inspirational campaign for national unity in this country, because legion members have known for many years that this country is worth fighting for. Fred Williams reminded them of that and he leaves them as he leaves us to carry on the fight.

[*Translation*]

Personally, I will miss his advice, his company and his good humour. He always maintained an optimistic view of life, even though his health had been failing for several months.

[*English*]

On a personal level, I will miss his helpful advice, his excellent company, and his effervescent good humour. He had an optimistic outlook on life at all times in spite of being in failing health with cancer for many months.

I am sure that as we mourn him all his legion comrades will be consoled by the thought that at the time of his death he had achieved what he always had as a great ambition, that is the leadership of the organization he loved, the Royal Canadian Legion. Fred Williams was a proud Newfoundlander and a great Canadian. He will be missed by all who knew him.

• (1510)

The sympathy of the government, the party on this side of the House and certainly my Department of Veterans Affairs Canada goes out to his wife Elizabeth and the rest of his family at this time.

Mr. George Proud (Hillsborough): Mr. Speaker, on behalf of the Official Opposition I rise today to join in the tribute to the late Fred Williams.

Fred Williams was a man who distinguished himself by a lifetime of service. As a member of the Royal Navy during World War II his contribution, like that of thousands of other Newfoundlanders, meant much to the victory the allies achieved.

After the war, as a Newfoundlander and as a Canadian since 1949 his good work continued. He served for many years as a member and most recently as Dominion Command President of the Royal Canadian Legion.

Fred Williams, through his work over the years, stands as a shining example of the Legion's motto: *We Care*.

Canada has a proud tradition of caring for its veterans and much of the legislation which has come forward over the years has been at the urging of the Royal Canadian Legion and people like the late Mr. Williams.

Even up to the time of his death Mr. Williams was working on the Canadian Unity Program which may prove to be one of his and the Legion's greatest challenges and greatest legacies.

To the family of the late Fred Williams and to the Royal Canadian Legion, my party and I extend our sincere sympathy. Though he is gone, those things for which he stood and the ideals for which he strove will live on. His living memorial will be the work he did with the Legion, and though he will be sadly missed, he will be long remembered.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I want to thank the minister and welcome him back from a very good mission to Sicily and Italy in remembrance of our veterans who are still there. I want to thank him for his tribute to Mr. Fred Williams, the late President of the Royal Canadian Legion whom I did not have the privilege of knowing, but as a Legion member I had many fellow Legion members express to me their high regard for him.

I can say one thing: in my years in this place there have been a few times when we have made a major accomplishment to redress former wrongs. While Mr. Williams was President of the Royal Canadian Legion, he led it into fully supporting the declaring of merchant seamen as full veterans, like any other veteran of any of the Armed Forces. That will be an everlasting momento to Mr. Williams as well as the Legion and disabled vets, all of whom support such a move.

I join with the minister and my colleague from the Official Opposition and on behalf of my party and myself in extending our condolences and best wishes to his wife and family. We know, in its real tradition, the Legion will do its best to find someone to fill his shoes.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I would like to add a few personal words to the statements made by our Minister of Veterans Affairs and representatives of the opposition parties here today, since I knew Fred Williams and his family for many years.

He has an outstanding record in the life of Newfoundland and of Canada and achieved the great eminence of becoming the Dominion President of the Royal Canadian Legion.

Mr. Williams spent the whole of World War II in naval service, carrying on the great tradition of Newfoundlanders with respect to the sea. I also know well his family and, in particular his daughter, Councillor Wendy Williams, who started a career in public life.

I would like to extend to Mrs. Williams, and members of the family, my condolences and regrets and the gratitude I feel that I knew such a fine character as Fred Williams. I had the pleasure of knowing him and seeing his good work during his many years in working for veterans and veterans affairs.

* * *

POINT OF ORDER

REPLIES TO QUESTIONS ON THE ORDER PAPER—SPEAKER'S RULING

Mr. Speaker: On Wednesday, September 18, the hon. member for Kingston and the Islands rose on a point of order concerning the answers provided by the government to written questions placed on the Order Paper, pursuant to the provisions of Standing Order 39, and printed in *Debates* of Tuesday, September 17.

He brought to the attention of the House the inclusion in those answers of statements of the amount of time required to prepare each answer and the approximate cost of providing the reply. In his presentation the hon. member noted that such material was extraneous to the question and argued that it should not be included in the answer.

[*Translation*]

At the time, very helpful interventions were made by the Government House Leader and his Parliamentary Secretary, as well as the hon. members for South West Nova and for Thunder Bay—Atikokan.

[*English*]

Standing Order 39 states the procedure for dealing with Questions on the Order Paper. The portion of the

Speaker's Ruling

Standing Order relevant to the present situation reads as follows and I quote:

> —in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question the matter to which the same refers shall not be debated.

In reviewing the provisions of the Standing Order as well as its history, it is interesting to note that generally the problems with this rule which have arisen in the past have been with the wording and nature of questions, rather than with answers.

[*Translation*]

This is why the Clerk of the House is charged with the task of examining notices of questions to ensure that they meet the requirements of Standing Order 39(1) before they are placed on the Notice Paper. They are scrutinized as to the correctness of their form and content.

[*English*]

As noted in the annotated Standing Orders on page 126, the principles guiding the Clerk are that no argument or opinion is to be offered nor any irrelevant fact stated in the question. This is ensured the primary purpose of such questions as stated in the Standing Orders, that is, the seeking of information from the ministry relating to public affairs.

[*Translation*]

The requirements that questions presented offer no argument or opinion, nor any other facts except as may be necessary, were extended to the replies to questions in 1906. This was done expressly to ensure that the process remained an exchange of information rather than becoming an opportunity for debate.

[*English*]

Therefore, in the present circumstances, since the type of information referred to by the hon. member for Kingston and the Islands is not germane to the information requested, I would ask the hon. government House leader and his parliamentary secretary to review carefully the replies provided by the ministry to be published in the *Debates* to ensure that, in future, all such answers conform to the provisions of Standing Order 39.

ROUTINE PROCEEDINGS

[*English*]

CO-OPERATIVE ENERGY CORPORATION AND COLUMBIA RIVER TREATY ENGINEERING BOARD

TABLING OF ANNUAL REPORTS

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, pursuant to Standing Order 32(2), I am pleased to table in both official languages the 1990 annual report of the Co-operative Energy Corporation and the annual report of the Columbia River Treaty Engineering Board to the governments of the United States and Canada for the period of October 1, 1989 to September 30, 1990.

* * *

• (1520)

INTERPARLIAMENTARY DELEGATION

CANADA-JAPAN INTERPARLIAMENTARY ASSOCIATION

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, in 1985 Prime Minister Mulroney of Canada and former Prime Minister Nakasone of Japan, with the good offices of the Speaker of Canada, initiated the Canada-Japan Interparliamentary Association.

I am pleased to report today that the association has flourished and completed exchanges between the Parliament of Canada and the Diet of Japan on an annual basis.

This report which I am tabling today deals with the second annual meeting held in Japan this past June. Canadian delegates brought to the discussion table many important bilateral issues, including the SPF lumber issue, driftnet fishing, as well as agricultural, trade and investment issues.

We will continue to raise these issues. Also, we were pleased to accomplish a cultural exchange between Japan and Canada and we are working to establish a program to exchange young leaders between the Parliament of Canada and the Diet of Japan.

This report details some of these activities and I am very pleased and proud to present it to the House today.

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COMMITTEES OF THE HOUSE

HOUSE MANAGEMENT—NINTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have the honour to present the ninth report of the Standing Committee on House Management regarding the selection of votable items among Private Members' Business. Pursuant to Standing Order 92(2), this report is deemed adopted when laid upon the table.

HOUSE MANAGEMENT—TENTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have the honour to present the tenth report of the Standing Committee on House Management.

NATIONAL DEFENCE AND VETERANS AFFAIRS—FIRST REPORT OF STANDING COMMITTEE

Mr. Arnold Malone (Crowfoot): Madam Speaker, I have the honour to present the first report of the Standing Committee on National Defence and Veterans Affairs on Canada's Merchant Marines.

The Merchant Marines were vital to World War II. More than 70 Canadian ships were sunk at sea and the death rate in the Merchant Marines was nearly 10 per cent compared to 4 per cent in all other forces. They were under military command and discipline. They were frequently attacked and under-protected. Much has been done to advance the plight of the Merchant Marines over the past 15 years.

The Standing Committee on National Defence and Veterans Affairs believes that if the recommendations of this report are followed that justice will have been significantly advanced and the role of the Merchant Marines in the defence of freedom will finally have been recognized.

We commend our recommendations to the government.

Some hon. members: Hear, hear.

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

ENDANGERED SPECIES AND BIOLOGICAL DIVERSITY ACT

MEASURE TO ENACT

Mr. Robert Wenman (Fraser Valley West) moved for leave to introduce Bill C-303, an act respecting endangered species and biological diversity.

He said: Madam Speaker, this bill to protect endangered species is a historic occasion for the House of Commons because this is the first time that a major bill of this kind has been introduced.

The bill seeks to call upon the resources of other bills, like those in the United States, but it is based instead not on species specific protection but instead in terms of the protection of the habitat, recognizing that one of better ways to protect endangered species is to enhance or intensify the biological diversity of their habitat.

I believe this bill will receive a good hearing in the House of Commons. I believe that it is in its place a bit early and its concepts are far-reaching, but I am sure that it will find the light of day in the interests of this very important subject to many Canadian naturalists, in fact to the whole chain of life in the globe.

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

* * *

CANADA LABOUR CODE

MEASURE TO AMEND

Mr. Bill Attewell (Markham—Whitchurch—Stouffville) moved for leave to introduce Bill C-304, an act to amend the Canada Labour Code (Canada Post Corporation).

He said: Madam Speaker, the purpose of this bill is to declare Canada Post Corporation an essential service and thereby outlaw any further strikes.

I have great respect for the men and women who work for Canada Post, but Canadians should never again have to endure the anguish and economic hardships which were inflicted on so many people during the recent Canada Post strike. Regardless of Chief Justice Gold's mediation decision, I believe members of this House should pass this bill.

Madam Speaker, I would like to thank my hon. colleague Alan Redway of Don Valley East for supporting this bill.

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

* * *

VICTORIA CROSS ACT

MEASURE TO ENACT

Mr. Doug Fee (Red Deer) moved for leave to introduce Bill C-305, an act respecting the award of the Victoria Cross.

He said: Madam Speaker, since the Crimean War, the Victoria Cross has been the highest military award given in the British Commonwealth. It is the most prestigious military decoration ever given to Canadians.

However, when the former government brought in new Canadian orders of bravery in 1972, the Victoria Cross was omitted, and as a result, can no longer be awarded in Canada. Unfortunately, it did not even establish a suitable award for gallantry in the face of the enemy to replace the Victoria Cross.

This bill would restore the Victoria Cross as the highest Canadian accolade for an act of valour in the face of the enemy. The Victoria Cross would be awarded by the Governor General as the Queen's representative in Canada on the advice of the Queen's Privy Council for Canada and it would restore the special place of the Victoria Cross in Canadian gallantry awards.

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

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[*Translation*]

TRANSPORTS

AUTHORITY TO TRAVEL

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, I move:

> That three members and two recherchers from the Standing Committee on Transport be authorized to travel to Winnipeg on October 9 and 10, 1991 in order to attend the conference on the transport of grain.

Mr. Lapierre: Madam Speaker, I rise on a point of order.

Madam Deputy Speaker: The hon. member for Shefford on a point of order.

Mr. Lapierre: Madam Speaker, I know that this motion requires the unanimous consent of the House. What I find difficult to understand is that we had started a practice whereby we had the budgets for these different trips. Now we get a motion like this out of the blue. I am willing to give my approval, but I would like to see the budgets tabled, as was done by other members who requested the same kind of authority to travel. I believe it is useful to see the amount of expenses for such trips.

Madam Deputy Speaker: I thank the hon. member for his comments. I am sure that they will be taken into consideration.

Does the House give the hon. parliamentary secretary leave to move his motion?

Some hon. members: Agreed.

Madam Deputy Speaker: Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

Motion agreed to.

Madam Deputy Speaker: Does the hon. member for Champlain have another motion?

• (1530)

Mr. Champagne (Champlain): Yes, Madam Speaker. First, I would like to thank my colleague and assure him that the figures and expenditures will be tabled later.

[*English*]

REFERENCE TO STANDING COMMITTEE ON FINANCE

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, I think that you will find unanimous consent to move the following motion:

That the Orders respectively adopted on Monday, September 30, 1991, on Bill C-32, an act to amend the Canada Assistance Plan and Bill C-21, an act relating to the accounting of certain payments for the servicing and reduction of the debt of Canada and on Tuesday, June 18, 1991 on Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, to refer the said bills to Legislative Committee F be discharged and that the said three bills stand referred instead to the Standing Committee on Finance.

Madam Deputy Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to present this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to

* * *

PETITIONS

AGRICULTURE

Mr. Joseph Volpe (Eglinton—Lawrence): Madam Speaker, it is my privilege, pursuant to Standing Order 36, to present a petition on behalf of many Canadians from southwestern Ontario, from towns such as Thamesville, Alvinston, Croton, Wallaceburg, Kippen, Londesborough and so on.

They want to join with the House of Commons Standing Committee on Agriculture, which unanimously passed a motion on August 29, 1991 calling on the Government of Canada to provide this summer, this year, a third line of defence for cash assistance on an emergency basis so as to provide the same net level of support that would have been provided under the Gross Revenue Insurance Program and Net Income Stabilization Account had they been in place for the 1991 crop year.

This being one of the worst years for the agricultural communities both in terms of crop and in terms of cash flow, the petitioners call on the House of Commons and Parliament to encourage this government to provide such assistance as proposed by the House of Commons Standing Committee on Agriculture last August 29.

IMMIGRATION

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, pursuant to Standing Order 36, I too have the honour of tabling the following petition of the undersigned residents living right across Ontario.

They present the following grievance: Whereas those eastern Europeans who entered Canada and are currently registered in either the Bill C-84 or the Bill C-55 refugee claims process have been prejudiced by the delay in the processing of their claims, and whereas those

refugee claimants who although successfully established in Canada are being refused landing at the pre-inquiry humanitarian and compassionate reviews, these petitioners therefore call upon Parliament to request the Minister of Employment and Immigration and the Secretary of State for External Affairs to accept all persons registered in the refugee backlog who are established in Canada for landed immigrant status at their pre-inquiry humanitarian and compassionate reviews.

MERCHANT SEAMEN

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, recognizing the report that was just tabled in the House by the Standing Committee on National Defence and Veterans Affairs, I have a petition to present from 50 residents of my constituency.

They call on the Parliament of Canada to recognize the critically important contribution made to the defence of Canada and the victory of allied forces by Canada's merchant seamen, that merchant seamen faced grave risks in carrying out their duties, that many lost their lives or were injured, and that these risks were equivalent to those taken by other Canadian forces.

The petitioners call upon the Government of Canada to request that the government designate Canada's merchant seamen as veterans of World War II, extending all benefits accorded to veterans of the regular forces.

[*Translation*]

NATIONAL STANDARDS IN EDUCATION

Mr. Mac Harb (Ottawa Centre): Madam Speaker, my colleague from York West and I are introducing petitions concerning illiteracy in Canada.

Whereas Canada wishes to remain internationally competitive and keep its status as a first-class country, and whereas Canada wishes to have capable, knowledgeable workers who will be able to maintain Canada's competitiveness, whereas Canada wishes to reduce its rate of functional illiteracy, which is now 38 per cent, so as to better train these workers, for these reasons taxpayers from Quebec and Ontario want Parliament to urge the government to promote and encourage the establishment of national education standards, in consultation with the provincial governments, education professionals, managers and workers, parents, young people, volunteer organizations and ordinary citizens.

[*English*]

COLLECTIVE BARGAINING

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, pursuant to Standing Order 36, I would like to present a total of 28 petitions with over 1,000 signatures from people all across Canada who humbly pray and petition the House of Commons to take a serious look at the trend the government is setting with respect to collective bargaining.

Considering the fact that this House has had to bring in back to work legislation, and the fact that collective bargaining in this country is now in a very difficult position, these signatures represent those who would like Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers all across this country.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Madam Speaker, I suggest that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Madam Speaker, I also suggest that all notices of motion for the production of papers be allowed to stand.

Madam Deputy Speaker: Shall all notices of motion stand?

Some hon. members: Agreed.

[*English*]

MOTION TO ADJOURN UNDER S. O. 52

LABRADOR AND NEWFOUNDLAND FISHERY

Madam Deputy Speaker: I am in receipt of a notice of motion under Standing Order 52 from the hon. member for Labrador.

Hon. William Rompkey (Labrador): Madam Speaker, pursuant to Standing Order 52, today I seek leave of the House to move its adjournment for the purpose of discussing an urgent matter requiring immediate consideration, that is the urgent and pressing need of fishermen and their families in Labrador and Newfoundland for food and heat because of their complete inability to purchase these necessities as a result of the complete lack of income due to the worst ice conditions in living memory and a total collapse of the inshore fishery.

This is an unusual situation. It is not something that happens every year. These are the worst ice conditions in history. It is a complete failure. There are fishermen in my riding, and on the island of Newfoundland now, who have basic human rights denied. Food and heat are basic human rights according to the United Nations.

I submit that this is a matter of urgent and pressing necessity, an emergency upon which this House should focus its attention and the government should focus its attention with a view to providing an aid package immediately.

Madam Deputy Speaker: I listened very attentively to the hon. member for Labrador. I would like to assure him, the House, and anyone who is listening to us at this time that we are all aware that there are extraordinary conditions in Newfoundland and Labrador at this time. Unfortunately there are also very difficult problems in other parts of the country.

Although I am quite aware of those problems and quite sympathetic to the problems to which the hon. member was referring, I do not think it would be appropriate today to adjourn the House and have such a debate.

I hope it will come to this House shortly. I know that an opposition day, for example, has been declared for tomorrow and I too hope that we will be discussing this problem and ways to help these people in a very short while. I thank the hon. member.

GOVERNMENT ORDERS

• (1540)

[*English*]

BANK ACT

MEASURE TO AMEND

* * *

INSURANCE COMPANIES ACT

MEASURE TO ENACT

* * *

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

The House resumed from Thursday, September 26, consideration of the motions that Bill C-19, an act respecting banks and banking; Bill C-28, an act respecting insurance companies and fraternal benefit societies; and Bill C-34, an act to revise and amend the law governing co-operative credit associations and to provide for related and consequential matters, be read the second time and referred to the Standing Committee on Finance.

Madam Deputy Speaker: When these bills were last debated, the hon. member for Prince Albert—Churchill River had the floor. In his absence, we will now resume debate.

Mr. Jim Karygiannis (Scarborough—Agincourt): Madam Speaker, I rise to discuss the second reading of Bill C-19, the new Bank Act and Bill C-28, the new insurance act.

We on this side of the House support this legislation in principle. However we have to examine the banking and insurance industries which have been waiting for a long time for these pieces of legislation.

The government has been dragging its feet for six solid years. For six years this government had held the banking and insurance institutions at bay. Let us examine this government action on these particular items.

Reform started in 1985 with the green paper, followed in 1986 by a blue paper. In September 1990, this government released a white paper on financial reform. It is only now after six solid long years that this government finally dragged itself into this House and is looking to finally start debating some of the actual legislation.

For too long this government has been holding the bank and federally regulated Canadian institutions at bay. They are outraged. This is gross negligence. This has to come to an end.

Our financial institutions are thirsting and must be given new powers they need to compete in new global business environments. We must also strive to ensure that Canadian consumers are well served and that the strength of the Canadian financial sector is not only protected but enhanced.

This government's slowness also has been damaging and is not helping our financial institutions compete and bring forward necessary reform to protect depositors.

Until Bill C-28 the new insurance legislation becomes law, insurance companies will continue to have to make complex legal arrangements to accomplish things which the old act allows but makes very difficult.

One can spend a great length of time discussing both Bill C-19 and Bill C-28 in detail. Together these two acts are over 800 pages and each is over an inch thick.

I want to briefly explore the various arguments received from various groups and individuals that banks should be able to retail insurance through their branches. On one side, it could be cheaper and more convenient for the consumers.

On the other side, people are saying that there are 170 companies, and 20,000 agents who could lose their jobs. There is something that we have to balance here. We have to look at it very carefully. We have to weigh the 20,000 jobs against the jobs that could be created. Will these jobs be sincerely lost or will these jobs be shifted from the insurance to the banks?

I have talked with many bankers and I have talked with many insurance agents. They give me different views. I, as a normal Canadian, would think that if I am given any opportunity to compete I might save some money. People are saying that they might save to the tune of thousands of dollars per year.

Let us explore these possibilities. An average Canadian family has two or three cars in a home. The insurance on these vehicles and the house could be to the tune of about $1,500 to $2,000. If I, as an ordinary Canadian, can have the opportunity to save $200 or $300 by going to an institution such as a bank, why should I not be given that opportunity.

This proposal is one that needs extensive examination.

Another issue given in this definition that we on this side of the House are quite surprised with is when the American Express was granted its foreign bank licence. AMEX clearly is not a bank in the United States. However this government said that AMEX met its legal definition of a bank.

It is also very important to examine when AMEX was given its bank regulations or the right to become a bank. Why was it given that particular right? We saw the ads in 1988. AMEX was in support of free trade and the government held the carrot and said: "You support free trade and we are going to give you your Bank Act." And the government did. On November 21, 1988, election day, AMEX was given the right to become a bank.

The government misled the Canadian public. It led us down a garden path. Free trade will be good for you. I am not going to go into discussing the details because we see the result daily. We are losing jobs to south of the border and now we are about to engage in something altogether different.

Now this government wants us to engage in a new free trade agreement. It wants to broaden, to create a bigger speck. It wants us to get into a free trade deal with the U.S. and Mexico. There are those people who say: "If you do not get on board you will be left behind". There are other people who say: "We need to deal with Mexico".

Well let us examine those possibilities. Do we need a free trade deal with Mexico? Can we compete? Do we need to compete with 86 cents per hour? Do we need to compete with a country which has environmental protection at the bottom of the pits? Americans as recently as

yesterday were screaming and yelling that they do not want to get into this free trade deal with Mexico.

Why should we be hoodwinked by this government? Why should we even look at the possibility of free trade with Mexico? They are saying: "Look at the European experience. Look at what the European common market has brought to the countries of Europe".

There are differences here. The European experience is something altogether different from the North American experience. In Europe, if you are a citizen of one country and you have a red passport, you can travel and work in another country. However in North America, if you are a citizen of Canada you cannot travel and work in the United States or vice versa.

Yet the President of Mexico said yesterday that if you do not get into this free trade deal, you are going to have millions of young men migrating to Canada and the United States looking for work. Do we have to accept those millions of young men coming up to our shores for work? No, Madam Speaker, we do not have to. However, daily we are losing jobs to south of the border.

While the government has not yet revealed its strategies for these negotiations, it seems clear that foreign countries will demand similar treatment to that received by the Americans under free trade. They will demand similar treatment to the AMEX bank.

We on this side of the House want to state once again that the government might not use the straight negotiations to weaken the competitive position of the Canadian financial institution. Should we participate in these talks? There are some members of this House who say that we should be at the negotiating table.

I talked to over 14,000 of my constituents over last summer. Ninety-two per cent of my constituents said we do not need free trade with Mexico. We do not need to participate in these talks. If we participate we are going to weaken the financial position of our country and our financial commitment to our people. We will be looking very closely at the two bills as they go to the finance committee.

• (1550)

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I appreciate the opportunity to ask my colleague a couple of questions. I appreciate his participation in this debate about changing the Bank Act. His riding, like mine is going through a lot of economic pain right now. Many of the small and medium sized businesses in his constituency are finding it very difficult.

He spoke a little bit about American Express. We have all talked about American Express when debating this bill at second reading.

I said in this House last Friday that maybe we should give American Express the opportunity to see whether or not it does fulfil the requirement of being a normal chartered bank. Maybe we should invite American Express to come to the committee between second and third reading. It might be interesting to put these questions before them. That is one point I would like to raise with my colleague.

There is a perception in the community right now that the major financial institutions, banks like the Bank of Nova Scotia, TD and the Bank of Montreal are almost like a cartel. We know they are not a cartel, but there is a perceived sense that the banking institutions are a cartel.

I am supporting the amendment to this bill to include insurance companies. It is my belief that this is going to foster more competition. The NDP does not share my view on this but I have yet to be convinced that their view is correct.

Does the member not think it would be a good thing to include the insurance companies in the financial institutions format, where they can lend money to small and medium sized businesses. This would expand the options of opportunity for the smaller guys who tend to be closed down completely if they are turned down at one of the major banks.

I would like to have his thoughts on that.

Mr. Karygiannis: Madam Speaker, I want to thank my colleague from Broadview—Greenwood for sharing his concerns with us. We all have small businesses in our ridings, from the mom and pop operations in the rural ridings to the corner store or Mac's Milk. They are all going through a crunch. They are going to the banks and saying: "Mr. Banker, can you lend me some money so I can go through this six months of recession". The government tells us we are through the recession—

An hon. member: Three years of recession.

Mr. Karygiannis: Well, the government says six more months and we are going to be out of it, hopefully, but I totally disbelieve that. The banks are seeing the numbers and they are saying: "Hold on. So much you owe, so much are liabilities, so much are assets. Forget it". If we were to give this opportunity to other institutions, to the

insurance companies, maybe they will have a more flexible approach to lending money.

It is a good opportunity for us to examine it and I think it has certain merits.

Mr. Marchi: Madam Speaker, I too would like to compliment my colleague on the remarks he made a few moments ago. He alluded to the fact, and my friend from Broadview—Greenwood mentioned it as well, of the pain and the hurt felt by the small business network across the country. We always hear the rhetoric from all sides at various points of government tenure, that the small business is the engine of economic growth, that the small business is the engine of technology, and if we take care of the small business sector, then the entrepreneurship and the development of ideas will flourish. If you are a small business person in this country, there is very little left in the budget, very little said in the budget that is aimed at that sector.

The hon. member talked about the business sector and the economy. While we are talking about banks and lending institutions, what does he think about the fact that while interest rates have been falling and perhaps are lower than they were during the 1981–82 crunch, is it not a fact that Canadians are not in a position to ask for loans because they are not working. People do not have jobs and when people do not have jobs it is pretty tough approaching any bank or any trust company or any firm.

I am just wondering what he is hearing from some of the constituents and business people in his part of Scarborough with respect to the lack of jobs inhibiting people going to their lending institutions.

Mr. Karygiannis: Madam Speaker, we all receive phone calls constantly. I know the members of the government also receive calls. If they do not wish to answer them, that is a different story.

Mr. Lewis: Name one.

Mr. Karygiannis: I know for a fact that I even get calls from Barrie and as far away as Penetang about businesses that are in trouble, in pain.

These small businesses have to carry an inventory. They have to go to their bankers and say: "My sales last year were not as healthy as I anticipated. I have to pay the factory that supplied me. Will you please lend me money?" The banker looks at the figures and says: "Just a minute". He puts down the numbers and says: "I don't think you are viable. Sorry, I am not going to lend you money". This small businessman turns around and says to the factory: "I'm sorry, I used to pay in 30 days but not any more. Now we are going to go to 120 days or maybe 180 or 360. I will pay you next year". The manufacturer is going to say: "I don't have enough money to make more. Therefore I am going to lay people off".

It is a vicious circle. The small engine that gets this country moving is the 80 per cent of the businesses that are small businesses, businesses less than $2 million, which means a family business and maybe one or two of the kids or a business and one or two employees. What stability do these businesses have? What future can these businesses look at? They cannot go to the bank to finance and bring in new inventory. They cannot order from the manufacturer.

This circle breaks down. It brings the small business to its knees. It brings whole industries to its knees. What do we hear? Closure, after closure, after closure. Where are they going? Down south.

Yet this reckless government wants to take us upon another expedition on free trade with Mexico. We are going to be the great saviours of North America. At the cost of our children, the future of our kids' jobs, the Prime Minister wants to provide jobs at 85 cents an hour to the Mexicans.

I want no part of this because I think charity begins at home. I think the future of my kids and the future of Canadian kids comes first.

Mr. Marchi: Madam Speaker, in talking about lending institutions, the government says: "Go to the chartered banks and if you cannot go to the chartered banks, we have the Federal Business Development Bank". I would be very interested to hear the experiences of business people in the east end of Toronto or Toronto in general as to what they say about the Federal Business Development Bank. Clearly it is not the answer but I would be very interested in hearing the hon. member.

Mr. Karygiannis: Very quickly, Madam Speaker, the bank says: "If you have no collateral, forget it. Go to a bank. If the bank won't touch it, then we won't touch it. If the bank won't touch you, we will look at you", and when they look at you, they say: "No. Clearly, no". It is a failure.

• (1600)

Mr. Mac Harb (Ottawa Centre): Madam Speaker, as my colleague stated a little earlier, we are very much interested in the fact that the government has finally come through with the proposed reform legislation. In fact, for the benefit of those who might be watching us now, this bill has been called for by the financial institutions for a number of years. In my view it could not have arrived at a better time than now, especially considering the financial situation of our country. One of the ways to begin on the road to recovery is to clean house and put things in order.

The Liberals will be supporting this legislation, so it will go to second reading because we are very much interested in what is in the bill. Also, at the same time we truly believe that going to committee will be the best forum for both industry and consumers to make their cases known.

Canadians know that billions and billions of dollars every day change hands in the banking industry, both at the Canadian level and the international level. When one looks at the objectives of the proposed legislation we see a lot of good things, at least in the reform end of things. First, we see a benefit to the consumer by increasing competition in the variety of services offered by the financial institutions, whether we are talking about the banking industry or whether we are talking about the insurance companies. We would like to see in the bill, as we believe it is part of the proposal, enhanced protection for depositors as well as policy holders. As a result of that we would not see the kind of situation we have seen with the collapse of a variety of financial institutions over the past few years.

It is interesting to note that in comparing our industry to other industries around the world we do not necessarily do too badly. In fact, we have a very clean-cut industry compared to that of other countries in the western hemisphere.

Having said that, obviously we are interested in seeing improvement and resolving many of the outstanding issues, in particular the question of jurisdiction.

We see, as part of this legislation, a way to strengthen the ability of Canadian financial institutions to compete at home and abroad. At a time when the whole area of competition is entering a new phase as a result of globalization it is extremely important for us to prepare our industry so it will be equipped to compete internationally as well as regionally. More than anything, this proposal is a way to lay the groundwork for discussion with the provinces so we can deal with the whole question of harmonization. You know, Madam Speaker, probably more than anyone else, about the difficulties we face with the mobility of goods and services, not only within the provinces themselves but from one province to the next and therefore from within the country to other countries abroad.

To deal with all of those objectives the government, as well as the House in general, has to consult. That process of consultation has begun. Obviously by going to committee we will have a chance for even more consultation.

There are quite a few interesting items in the bill. One point is particularly interesting, and that is the question of regulating the industry.

In an ideal situation living in a democracy anybody, providing he or she is making a lawful profit, should be entitled to deal in the kind of business he or she wants, providing the law allows them to do so.

When it comes to a question of jurisdiction the banks want to get involved in the sale of insurance. They want to get involved in the rental of cars and the insurance companies want to get involved in the question of deposit and opening accounts for consumers and vice versa.

I am sure legislators would love to see the industry resolve this question itself and come to us with an agreement, that they all agree on what needs to be done. That would have made our life a lot easier.

Unfortunately this question has not been resolved by the industry. That is why we are in the situation we are in.

Many of the points in this particular act are well thought out. I would like to mention some of those amendments to the proposed act or the points that are in the act. Point number one is a requirement to disclose services charged by banks. That is a very good and interesting point.

The second point concerns the power to make regulations relating to the disclosure of the networking situation. That is a very interesting point also.

The phasing out of the current reserve requirement and the draft regulations on insurance, which are similar to those relating to trust and loan companies, limit a bank's ability to offer insurance advice and restrict the promotion and solicitation of insurance business and branches.

Banks will continue to be able to market credit, related insurance and travel insurance. That is a very interesting amendment to the legislation.

One cannot help but stray a little bit from the question before us. As I indicated earlier we are supporting it in principle so that it can go to committee.

While I was doing a little research I was quite alarmed by what I found out concerning the question of the state of both our consumers and our businesses. They are, in the final analysis, the depositors in the banks.

Banks do well when they have consumers depositing money and when they have businesses depositing money. Examining statistics since 1985 one would not be able to be anything but somewhat shocked that in 1985 there were in excess of 19,000 consumers, potential depositors, who went bankrupt. There were 8,663 businesses that went under. A whopping total of 28,415 groups of individuals and businesses went bankrupt in 1985.

In 1986—again as a result in many cases of government policy, whether monetary policy or general policy relating to full employment—there were in excess of 21,000 consumers and in excess of 8,500 businesses, a total of 30,267 businesses and individuals, which went bankrupt. Those people could have been depositors in our banking system. Those people could have been full fledged producers in our society.

In 1987 there were in excess of 24,000 consumers and 7,600 businesses, a total of 33,848 businesses and consumers, who went bankrupt. In 1988 we had a total of 33,848 consumers and businesses that went bankrupt. In 1989 we had in excess of 37,866 both consumers and businesses that went bankrupt. In 1990 we had in excess of 54,424 both businesses and individuals who went bankrupt.

• (1610)

Those are the kinds of statistics that are cause for alarm to our financial institutions, the private sector and society. They should also be cause for alarm to the government.

There is no question that this increase in bankruptcies has affected the banking industry and the insurance industry. I would suggest that maybe it is time for the government to sit down and have a look at the way we do things. Have a look at the blueprint for the future and see what needs to be done in order to get the economy back on track.

The way the government has been approaching this question is not necessarily the best way. It is one way but we are going to pay the price. There are other ways so that Canadians can benefit.

Obviously attacking the public servant is not the way to revitalize the economy, regain consumer and business confidence, and get the banking and insurance industries back on track. The only way we will have a blueprint for the future of Canada is by developing some sort of policy that would commit the government to full employment.

By doing that, I would suggest, we would be able to get the economy back on track and help industry and consumers. There is no question that what is needed is a proper industrial strategy, in consultation with industry, the business sector, the investment sector and the banking sector.

It is time that we set up the strategy for the future. Over the last five, six or eight years there have been reactionary solutions, not action in the sense of a proper strategic plan.

This particular act is a step in the right direction. There is no question that it is going to solve many long outstanding issues in the industrial sector. But we have to do more than introduce legislation. We have to move forward with a strategy that will increase, as I indicated earlier, the confidence of the consumers and businesses. Then we will see more investment in the Canadian economy and more businesses coming from abroad to invest in our society. Then we can ensure that there is something for everyone, without robbing Peter to pay

Paul, without cutting services we provide to the community, and without increasing taxes.

I will go on to indicate that without proper long-term strategy this whole question of economic renewal is going to be ill conceived by both industry and the consumer at large.

On that note I would like to say that we are very fortunate to have the kinds of institutions we have in our society. I was quite impressed by a statement made in *The Ottawa Citizen* today by Helen Sinclair, president of the Canadian Bankers' Association, when she alluded to the fact that our banking industry is in good hands. Surely our banking industry is in good hands.

There is one item which I think the government should look at very closely, and that is the licensing of banks that are not licensed at home. This particular issue, I think, is cause for grief both within our caucus and the industry itself.

On that note, I would like to entertain some questions from both sides of the House.

Mr. Sergio Marchi (York West): Madam Speaker, I would like to congratulate my friend from Ottawa Centre for articulating not only his concerns in relation to the banking industry and the economic directions into which this country seems to be heading, but clearly articulating them on behalf of constituents from his riding to whom he is indeed very close.

The hon. member mentioned that what we need is an industrial strategy in this country, a strategy that certainly does not look backward but looks forward with a sense of strength and a sense of vision. I am just wondering if he can perhaps take a moment and share some of the concerns from an economic viewpoint that he has been getting and experiencing not only in his riding but in his travels across the country.

Why does he believe that the government has not moved on an economic industrial strategy, considering that back in 1984 the Prime Minister boasted that one of the reasons that he was elected, one of the reasons that he was standing and one of the reasons that his government was successful was that it was going to bring economic prosperity across the country? Yet, as he knows and my colleagues know on this side of the House, we have never been through as bad and as demoralizing a recession as the one we are presently engaged in.

I look forward to hearing from my friend on these matters.

Mr. Harb: Madam Speaker, I want to thank my colleague for a very well put question. There is no question about it, my colleague is very well informed. That is why he is alluding to the fact that there is somehow—I really should not say a lack of vision because we all see, we all know—a lack of ability. I do not think there is the ability there. Maybe the will is there but there is a lack of ability.

What needs to be done in fact is to set up a policy. That policy should be a long-term one. There is a need to set up a strategy and that strategy has to be a long-term one.

I think more than anything that if one looks at the economic situation we are faced with, one would have to admit it does hinder the ability of anyone to move with any kind of a program. If we go back four or five years as it has been indicated in many of the Prime Minister's speeches, the question of research and development, the question of education, and the question of working in partnership with the private sector, are all good statements. But unfortunately, the actions of the government have not matched the statements of the government.

One cannot help but look at the areas, for instance, of employment and training. In his February speech the Prime Minister spoke about the fact that there is a need for a global approach to this whole question of training and retraining our work force so we can be competitive on the international scene.

I could not help but almost jump up when I looked at the constitutional proposals. I was somewhat puzzled to see that particular item was going to be handed over to the provinces. One would suggest that one of the most valuable resources in our society is manpower, our work force. The training and retraining of our work force are being passed to the provinces so they can deal with them.

How do you expect the have not provinces of Atlantic Canada or western Canada or certain other parts of our country that do not have the money or the resources to invest in the retraining of their work forces to do so? What will happen as a result of that? Not only will it increase the regional disparity between the provinces, but we will not be able to compete internationally. The

disadvantaged in our society will be even more disadvantaged, because there will be no standards whereby all of the provinces have to supply the minimum standard. Let us assume for a moment that there is going to be a standard to go along with employment training. The money in the fund would have to come from somewhere and that somewhere would have to be, in the circumstances we are in ourselves, the federal government.

• (1620)

There is no doubt in my mind, it does not matter how we slice it, that if we are really committed to increased productivity in the future, if we are really committed to getting this country out of the economic misfortune it is in, we have to employ a strategy which looks first at our work force, our most valuable resource which is the human resource.

We are now seeing in the actions of the government the abandonment of the statement made by the Prime Minister over and over again during the past four or five years. It is my hope that as this whole debate on the constitutional question evolves the government, as well as the provinces, will come to terms with the question of human resources. Not only the mobility of the work force between provinces is important. The retraining of the work force is far more important than its mobility.

That is one important point the government should look at very closely.

To answer the question asked by my hon. colleague there is a need for a policy. That policy must be matched with funds. Those funds have to go toward research and development and toward education. That is the only way we can get ourselves into the 21st century in good shape.

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, I listened with great interest to my hon. friend. I know that he and his colleagues in the Liberal Party have worked very hard on their industrial strategy. They have been successful in keeping it under wraps for some seven years now. I wonder if my hon. friend would take this opportunity—it is a good time, a slow news day as a result of Question Period—to enlighten not only the government but probably the entire country on the Liberal strategy which has taken seven years to develop and has not yet been leaked out of the Liberal caucus, as so many other things have.

Mr. Harb: Madam Speaker, I am thrilled that the hon. minister has given me this opportunity to talk about the Liberal platform.

I want to talk about the past because my colleague has brought up what the Liberals have done. In the majority of the years we had a Liberal government, we had good times. Canadians did not go hungry. We have only to compare the record and look at the number of unfortunate events which have happened to Canadians over the past eight years and compare them to the previous eight years. Canadians could come to the conclusion fairly quickly that Tory times are bad times and Liberal times are good times.

If anything our government of the past had, and our government in the future will have, a full commitment to employment. One of the points articulated by Mr. Chrétien, the leader of our Party, over and over again is that at least with a Liberal government we will not be robbing Peter to pay Paul.

We will be introducing a policy taking into consideration the future of Canadians. We will be introducing policies to look after the interests of the people. We will be introducing policies to put this country into the 21st century in good shape. We will be addressing the questions of retraining, education, and full employment. We will certainly never allow a deterioration in the state of our social programs such as we are seeing now. We will never attack the underprivileged. We will never rob a single mother of her savings which help to carry her into the next month. We will never go after those who cannot defend themselves, and certainly we will not deal with the public servants the way this government has dealt. We will not attack the public servants. We will not attack over 55,000 public servants who make under $27,000 without giving them a penny increase, with the exception of the $500 the government proposed. Five hundred dollars was taken away from those people because if they had not been off the job many of them would have earned in excess of $1,500. The government has not given them anything.

Certainly it is not vision to attack your public servants, your own employees.

I would like to remind the minister of something he said yesterday. He said: "The federal government is the biggest and largest employer in the country". It is. When you are the biggest and the largest employer in the country you have to set a good example in dealing with your own employees, in dealing with the people who work for you. Certainly you do not rob them. You do not rob Peter in order to give to Paul.

The only way to deal with this whole question of economic renewal is by increasing productivity, not by going after the public servants. The hon. minister knows that once we have a Liberal government in place we will deal with the question and in a lot more effective way than the present government is dealing with it. I am sure all my colleagues agree with me and they are clapping.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I wish to say a few words on the three bills before us today. There are three or four bills that this government has introduced after a long period of consultation which effectively restructure and try to modernize our financial institutions.

I will speak briefly to each of the three bills before us today. The Liberal Party supports the introduction of these three bills. We are waiting for them to go to committee quickly, as soon as the speeches are finished today, so that the committee can have plenty of time to look at the technical application of the legislation and hopefully, after listening to witnesses, it will be able to recommend some positive changes to this legislation.

As consumer and corporate affairs critic I am pleased to see, first of all, that this package of legislation, these three bills, opens up the financial institutions to more competition. I for one believe that the consumers' interests are always better served when there is viable competition in the marketplace. These three bills certainly do that. To a certain extent it opens it up a bit. It allows insurance companies to now make loans. It changes the way banks do some of their business. It does not allow them to get into automobile leasing. It does not allow the banks to get directly into insurance. However, it opens it up and allows the banks, if they so choose, to purchase insurance companies.

It also affects the Co-operative Credit Association Act. There are amendments to that act which I think are very progressive.

We live in a country that affords an unusual amount of protection to banks. We live in a country where many times we have seen successive governments come forward and listen to the banks' interests and perhaps not always listen to the interests of consumers. I can say that with some certainty because there is currently a pre-study on the government's bankruptcy legislation. The Canadian banking institution, as highly regulated as it is, is probably one of the most effective lobbies in this country. Any change or potential change to legislation that may affect their profitability is going to be challenged by the banks.

When the banks saw these changes being introduced in these four acts— actually the Trust Act has already been dealt with—they had some concerns because the closed shop they basically were allowed to operate out of, highly regulated by legislation, was being opened up.

I want to commend the government for taking this step because I know it must have been difficult. It has taken a long time to get these reforms put before the House. It has taken a long time and it has taken a lot of lobbying efforts and a bit of spine as well to come forward with the changes we see in these three acts today.

• (1630)

In the Co-operative Credit Association Act, I am extremely pleased to see that they are now going to have the ability to act almost as if they were a bank, but a bank with a heart. The co-operative movement in Canada is a movement we should all be proud of. Personally, I am very proud of the co-operative movement because it had its birthplace in my home province of Nova Scotia. The co-operative movement is very strong in Nova Scotia in the co-operative credit union movement and it is active in agriculture.

The Coady Institute at St. Francis Xavier University is a great example of Canadian brilliance and genius. It takes individuals from Third World Countries and trains them to help themselves, not just to take handouts. It teaches them the co-operative movement and how each one helping another is the way that communities develop.

This act affects one of those components of the co-operative movement and that is the credit unions. Up until now the credit unions basically served the interests of their members. Because it is a membership-based institution, it had some difficulty because by law they were not permitted to go forward and raise capital through equity. They were only permitted to raise money through debt and through memberships.

The regulations that existed prior to this bill literally hamstrung the potential effectiveness of the co-operative movement through the credit unions or through the caisse populaires. This bill goes in the right direction in trying to correct that and allow the credit unions, if they so choose, to have another avenue to raise money so they can be competitive in some of the smaller and even in some of the larger areas. They can be competitive with those large banks that have had way too much protection for much, much too long.

Those movements are positive ones that I certainly support. There are some problems though. I am disturbed about an article that appeared today in *The Ottawa Citizen*. Everybody here wants to ensure that when we put through legislation, particularly legislation that is as long overdue as these three pieces of legislation, we do it right. Time and time again we have seen that there are special interests involved in such areas as the banking communities or the insurance industry or consumers or labour. When you change a complex piece of infrastructure in our economy, it is going to have a negative effect on somebody. Not everyone will like the changes that go forward.

When we do have the stamina to go through this gruelling process of trying to put better legislation through the House, we had better make sure we do it right.

As I said previously the article appearing in the *The Ottawa Citizen* today concerns me greatly. Helen Sinclair, President of the Canadian Banker's Association, is quoted as expressing some concerns that this new Bank Act that we are debating today may already be outdated. She says that we should seriously look at firming up some of the regulatory requirement such as the reporting and accounting practices of banks so that we do not get into a situation such as we have had with the Bank of Credit and Commerce.

It is good that we have a spirit of co-operation here. Normally when bills come forward, governments do not want to change one comma or change a sentence. But the co-operative approach on this bill, which is the right approach—

An hon. member: We should do it more often.

Mr. MacDonald (Dartmouth): We should do it a lot more often. This place would be a lot more relevant to Canadians if we did that.

I hope the approach on this bill will continue into committee stage and the government and all members will look at some of these things that are coming forward, most recently the one by Helen Sinclair, and put amendments forward to close those particular loopholes.

There are some other problems and I do not know that they are fully addressed. I am certainly not an expert when it comes to the banking institutions in this country. All I know is that I owe them a heck of a lot of money and I pay too high an interest rate on it. That is about it.

I am not a high financier but I will tell you something, Madam Speaker. I get a little concerned. Look back and see what happened with American Express. When governments, political parties or whatever start interfering in our financial institutions and start to manipulate and interpret regulations that are meant to be there to provide some stability and certainty in our financial institutions and to perhaps benefit some of their friends, I think that that is very, very dangerous.

We have the situation, Madam Speaker,—you are very well aware of it—of American Express. American Express in the United States does not qualify in its own country as a bank. It should not qualify in Canada. Canadian banking institutions and any other institutions that may wish to become a bank have to live by certain criteria. Their criteria are very rigorous. They are meant to be there to protect the depositors. They are there to be sure that the stability that we seek to put into our financial institutions is maintained.

American Express made a call in the dead of night and on election day in 1988, knowing full well that to grant American Express the distinction of being a Canadian bank was completely contrary, 100 per cent contrary, to the intent of all of the regulations and contrary to the

Bank Act, nevertheless this government perhaps because it owed a favour back to American Express, passed it. The minister signed it and said: "Yes, you are okay. You can be a bank." That very type of thing has to be made absolutely impossible in the Bank Act.

We have to make sure that when we give regulatory and discretionary authority to a minister, that discretionary authority will not be abused by that minister for whatever special interest he seeks to keep happy.

I am not so sure that the bill goes far enough quite honestly in ensuring that that does not happen. The last thing that we need in this country are pieces of legislation regulating the infrastructure in our financial institutions in our marketplace that can be easily manipulated by those who do not quite understand the complexity of those pieces of legislation and will use some vague sections for their own political gain. That is something that we have to ensure does not happen again.

There are a couple of other things I want to speak to on these acts and it deals generally with financial institutions. We have just gone through a period of record bankruptcies across Canada. They are record bankruptcies.

The last figures that came out told us that so far this year there are over 50,000 bankruptcies. With every single bankruptcy we have to be very, very careful that we do not just see it as another statistic. Each one of those statistics has a face. Many of those faces have families and those families have dreams.

Each and every time that a small business goes out of business or an individual has to declare personal bankruptcy, it is not just a paper death. In many cases you are seeing the life, the aspirations and the future of individuals crushed. You are seeing the mom and pop shop, a corner store operation that has just had its credit line pulled by the bank because sales were down because of the government induced recession. The bank was getting a little worried and pulled the credit line.

It is not just a little bit of money. An individual might be 55 or 58 years of age. Perhaps they have invested their entire life in that small venture and they are proud of it. They do not just work in the store. They probably also work with the Kiwanis or the Kinsmen, or maybe they work with the Boy Scouts or the Girl Guides. They contribute to their community.

When that happens you have destroyed their capacity to participate fully in their community. You have destroyed them and they cannot pick it up at 50 or 55. Many cannot pick it up at 20 or 25.

When we see these pieces of financial reform coming in, we have to say: Does that address that? Are the banks sometimes a little too quick to pull the rug out? Do they forget sometimes that, yes, you might have had six months of hard luck but you had 22 years of good management?

• (1640)

So, any amendments or any bills that come in here that compel those financial institutions to be more competitive, and more sensitive as well, I fully support. Competition is a wonderful thing. Competition is a great thing. I remember a few years ago in Nova Scotia when deregulation allowed for other than Bell Telephone or MT&T to have the sole monopoly on the sale and leasing of telephone equipment. Maritime Tel & Tel is a wonderful company. It is a wonderful company in Nova Scotia and it is a great corporate citizen of that province. But immediately when competition was allowed in, Maritime Tel & Tel had to scramble and it had to become better at what it does, namely to provide service to the public. And that is what competition does.

So, the consumer should be well served by these pieces of legislation that are currently before us.

We have to make sure because whenever you tamper with the financial institutions in this country, you have to be very very sure because one of the minor adjustments that you meant to make may have consequences that are very disastrous once it is in practice and once the lawyers get at it and the accountants get at it and the bankers get at it, and those types of things.

One of the things that our party would like to look at, and I think there is a provision in the Bank Act that it be reviewed in 1997, is moving that up a little sooner. We would like to see some type of ongoing consultation, some ongoing assessment as well, as to whether or not the reforms that we seek to implement through this

legislation are actually coming through in the community.

The last thing I wish to say, and again it deals with consumers, is that these three pieces of legislation put in some consumer protection. How many times when dealing with the big banks do people feel that they have been ripped off? I feel it all the time when I go in, although I have got a pretty good banker at home. I don't want him to be watching this and think I am talking about him. I certainly am not.

An hon. member: What was his name again?

Mr. MacDonald (Dartmouth): What happens, Madam Speaker, is many times people feel—and it may be proper, it may not—that they have not been done right by a bank or an institution. The worst thing that can happen is for them not to have an avenue in which to explore their complaint. Many, many times there might be, out of 50 complaints, one that is founded or there might be 49. I don't know.

What these pieces of legislation does is allow for a process to be established. It actually legislates that a process be established. That process will handle consumer complaints. If the consumer is still not satisfied with the answers they get through the financial institutions, these acts allow them to complain to the superintendent. The superintendent in turn does not have any legislative rights of remedy. They really cannot do very much. But what they can do is file a report on these complaints, and hopefully the power of having negative press, negative publicity when they file a report or file a report with Parliament, will be enough to ensure that the consumers' interests are looked after by these large financial institutions. I think that is one of the most progressive pieces of this legislation because it actually sets in place a process. In and of itself it may not look like very much, but if we look at what has happened other times that these types of processes have been put up, they have been successful.

In conclusion, I would like to say that our party, the Liberal Party, supports changes to our financial institutions. We support opening up more competition, and we also support any measures that the government would put forward that would ensure that the interests of the consumer are paramount and that processes are put in place to ensure that the consumer has a say as well.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I listened to the hon. member's speech. He said that his party was supporting the bill at second reading and will look for some changes in the committee.

In his speech, the member did not touch on one of the very grave concerns that depositors and Canadians should have in general and that is the ownership of financial institutions. Banks now are very strictly controlled with respect to the amount of ownership any individual or group of individuals can own. It is 10 per cent.

Recently we have noticed that the financial institutions that have had the greatest difficulty have been the trust companies where close ownership has led to abuses. If you were to sit in on the committee, you would have heard the Superintendent of Financial Institutions explaining and saying that we only have guidelines with respect to all kinds of things, we have been unable to properly keep track of these operations. Yet now in these bills what we are doing is we are opening up the cages of the zoo and we are letting a lot of commingling go on. So I think there is a concern.

In the United States when deregulation came in, in the short run it resulted in many financial institutions, but in the long run there was a melt down. We are going along the same path. Insurance companies can own trust companies, banks can own insurance companies and they can own each other.

I want to tell you, the biggest insurance company in this country is not nearly as big as a bank. All the time they talked, when they came as witnesses before the committee, they were talking about global competition. They are not so interested in what goes on Canada, they now want to become big players international. Their focus is on the globe not at home. If you think small businesses and medium sized businesses have had a rough time in getting loans, wait till these sumo wrestlers get their focus on the world because that is where the focus is, it is global.

The member did not touch on this ownership, the possibility that one morning you will wake up and there will be only one financial institution in the country, and that is when they start setting the price.

I only have to raise with you, Madam Speaker, the lack of any kind of competition that would bring credit card interest rates down.

I want to tell you that when it gets to that stage of the game there is going to be no competition at all. In the short run, maybe, but in the long run it will be a melt down.

I ask the member, since he did not comment on ownership, to comment on ownership.

Mr. MacDonald (Dartmouth): Madam Speaker, let us be fair here. My hon. colleague and I see eye to eye on many, many, many things, but in this particular instance what he is talking about is that the changes that have taken place may end up in one single financial institution one morning at some point in the future and, of course, that would be absolutely disastrous. What we have now are the five majors and they are really the cartel. We are looking at a situation right now which is not terribly positive. I do not think that the Canadian banking institutions, as they currently stand, are near competitive enough. They all offer the same thing. It is a monopoly times five right now.

I firmly believe that the bills that are before us need some work and I said that in my presentation. I said that when it gets to committee, we will have to examine each and everyone of these things, and they are very complex. I do not pretend to understand half of them. I do not pretend to understand one-third of them. But we will hear witnesses at committee and we will have the experts and hopefully we will have a research staff. I am sure that by the time we finish the process all of those issues will be dealt with.

On the matter of ownership, when you are dealing with our financial institutions, because of the tremendous clout that they have in this country, it concerns me greatly. Is the hon. member saying that he believes this legislation does not address the problem of too concentrated an ownership of trust companies? Am I correct that that is what he is talking about?

I think what we should do in this particular case, because it is a valid concern, is to ensure the ownership of our financial institutions because of the influence that they wield in this country. We have to make sure that the ownership is watered down enough so that we are not going to get the intermingling and commingling of two or three of the owners and in effect perhaps affect the marketplace in a very negative way.

• (1650)

I would be satisfied if the government could convince me when we get to the committee stage that those questions should be answered. They should be put. I am sure with the spirit of co-operation that we are seeing on this type of a bill, just like we are seeing on the bankruptcy bill, that if there is good logic to put those changes forward, the government will see the value of that logic and will institute those amendments.

Mr. Don Blenkarn (Mississauga South): I was wondering if the member from the Liberal Party who is fully informed about this would realize that public hearings in the finance committee last fall dealing with Bill C-83 and dealing with the white paper that forms the basis of this bill were held and we heard a great number of witnesses. All of those witnesses made comment with respect to the bill and alterations were made on these bills. They have been drafted and redrafted in accordance with hearings held over about a 10 year period.

Having had the benefit of seeing all of those reports of these hearings before the finance committee, and having studied the matter thorough, if the member could just quickly in a word or two tell us the exact amendments his party wants to put forward to change and alter these bills.

Mr. MacDonald (Dartmouth): Madam Speaker, I think the questioner is being a bit mischievous. Of course, I am aware that there has been tremendous work done over the last number of years to put this bill together. I would never claim to have the expertise on financial matters that the hon. member has. He is a former chair of the finance committee.

An hon. member: He is the only one who warned us about the $10 billion tax grab.

Mr. MacDonald (Dartmouth): That is exactly right. He is the only member opposite who warned us of the $10 billion tax grab on the GST. You can see, Madam Speaker, that he got his just rewards for that one from the gang opposite.

The Liberal Party's position on this bill is that when we go back into committee, we are going to review the comments that have been made both in the House and outside of this Chamber in the public, and we will be recommending appropriate amendments. I am not the

critic for financial institutions. I am the critic for consumer and corporate affairs.

What I have indicated is from our party's perspective, consumer and corporate affairs, that I believe that this legislation goes a significant distance in reforming our financial institutions so that we have a better regulated financial marketplace out there and also that we are instilling some elements of consumer protection and competition as well.

I can fully understand the member opposite wanting to find out what our amendments will be. Suffice it to say that the amendments will be based on fact and the amendments will be based on a true desire to have better legislation passed through this place.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, I have a very short statement. The hon. member made reference to AMEX which was a deal that was made by the present government with American Express in the waning hours before the last election.

Like him, I want to go on record that I believe that this was a deal cooked up with the United States so that the American banks could get into Canada, this particular bank could and also start selling insurance. I think that this has put the cat among the pigeons as it were.

I do have a very direct question. The hon. member was speaking very directly to the many bankruptcies here in Canada. One gigantic bankruptcy which I believe cost the government, and therefore the people of Canada, billions of dollars was the bankruptcy of Northland Bank.

The hon. member has not dealt with that one specifically. I wonder if he might enlighten us as to not only his thoughts but the thoughts of our party about the federal government bailing out these huge, if I can call them, conglomerates at the expense of Canadian taxpayers.

Mr. MacDonald (Dartmouth): Madam Speaker, I want to thank my colleague for his very thoughtful question. In dealing with the area of bankruptcy we have to remember that the it is a very complex situation. Currently the Liberal Party is working diligently to try to ensure that the current pre-study under way on another piece of legislation dealing with those types of reforms will address and try to strike a new balance between all interested parties.

The difficulty we have at this time is that governments fail to take steps when steps should be taken. They fail to modernize legislation. They fail to stand up to some of the big lobbyists and big pressure groups and change legislation to ensure that there is fairness, to ensure that the loopholes are straightened out, to ensure that regulations are put in place to effectively standardize an industry like the financial industry. The government has some responsibility. No matter how much we may dislike it, if the government caused the problem by its negligence and inability to act, it has some responsibility to clean up the mess. That is what happened in that particular case.

I keep saying unfortunately because it may be all right to say that the government failed to act and had been warned about many problems and loopholes that could have been and should have been closed. It is unfortunate that when it has to fess up and clean up the milk it has spilled it has always been paid for by the taxpayers of Canada.

In answer to his question if governments do the right thing taxpayers will not have to do the wrong thing, that is pay for government's mistakes.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, this is a very complex series of bills and I am not going to attempt to define any particular part of the bill. I do want to make a few remarks because banks are not giving Canadians the kind of service which they should be able to expect.

Most Canadians hope that the next time the Bank Act is brought up and reviewed some of the power of the banks will be curtailed. They hope that the small entrepreneur, homeowner, farmer, small businessman, or simply someone who owns a home can be sure they will not be put in as great a disadvantage in dealing with the bank as in the past.

There is no doubt in the eyes of the public in Canada that the banks are seen to be almost in a position where they are unassailable. Consequently the person dealing with them feels very weak and unable to deal with these large corporations.

Does this series of bills allow the small entrepreneur, the small businessman or the farmer to feel more confidence in dealing with financial institutions? The answer is patently no. It does not.

Possibly, as suggested in these bills, there is a need to rearrange or restructure the whole financial system. Maybe it all needs to be reviewed. However, the aim of the review should be the empowerment of the people who use these institutions not to increase the powers of the financial institutions.

We all want and need financial institutions which are secure. These bills do not in my mind, or in the minds of people who have looked at them thoroughly, ensure that there will be no further financial disasters affecting the small depositor or the small entrepreneur.

• (1700)

These bills are part of a corporate agenda, or I could say possibly a Conservative agenda, which puts the economy more into the hands of the financial institutions than it is right now. For instance, if someone wanted to start farming—although that might be a bad example because at the moment only a fool would get himself involved in farming—or start a small business, they would borrow the money. The idea is that they should be able to pay back the money and make some profit on it.

The only institution that is guaranteed a profit from the person's efforts is not them—because they are working hard at it or are a good manager—but the bank or the financial institution which has the security of return. It gets everything if they miss a payment.

As I said, farming is not a good example—and during the present recession even a small business is not a good example—but the same situation can be outlined in almost any entrepreneurial venture. Only the money lender gets anything out of it.

The financial institutions which are supposed to be the pillars of our economy are not helping our economy. In most cases they are leeching off the entrepreneurial efforts and work of the people who are trying to make a living.

This government's solution in these bills has been to undermine the traditional pillars, to reduce the number of players and put in place a few megafinancial supermarkets which will then have more and more power in more and more areas of the financial world.

From experience, this would seem similar to what happened in the grocery business. We used to have lots of grocery stores around, small enterprises which worked well and provided a living for the people who operated them. We now have supermarkets which have eliminated all these small and efficient operations. These have been eliminated.

The same thing is happening in farming. The larger and sometimes less efficient operator is gradually eliminating the smaller operator, which is a living for many people. The government is also doing in this case what it has already done to the airline industry. It has deregulated it so that size becomes the main instrument of success, not service, not how well the company serves people, not what it has done to help the economy. The size of the institution is the basis of its success.

Deregulation means legal requirements and constraints are deleted or substantially loosened on a particular venture. This allows and works toward greater reliance on corporate self-regulation and good will.

Actually, what it does foster is some kind of a corporate tyranny. As the corporation gets bigger, has its fingers in more pies, and covers more of the structure of the financial world, it is able to affect our economy and each of us much more than it has in the past. Turning to a large organization which has a dominance in its particular field, there is a recognition that in many cases the larger the corporation the less efficient it becomes. Because these corporations are large and have a considerable amount of power, the cost of these inefficiencies is then charged to the consumer. They get away with it because there are no corporations in place to compete.

Financial institutions do not have an unblemished record of purity. In fact, from the experience of failure over the past few years of trust companies and banks, we know that conflict of interests and self-dealing have been the common reason for the failure of some of those institutions. It seems very logical that the projected structure will further exacerbate this situation so the possibility of misuse of the financial instruments becomes more likely and less detectable with fewer regulations, larger institutions, blurred areas of responsibility, and unclear ownership requirements. This opens up the possibility of self-interest being covered up when it is

much more difficult to examine the operations of the institutions. They are not required by law to present before the public their methods of operation.

I question the global competition which the banks, trust companies and insurance companies say is so important for them to survive. Is it so important to our economy? Is it important to the individual on the street? Is it important to us when we insure our car or house? Is it important to the majority of Canadians?

After all, good government is possible only with the consent of the majority. The majority of people should be served by changes to these institutions. We suggest that this is not entirely what is happening.

These bills are going to committee. I hope the committees will look at them and change them so that they will protect the consumer, the client, and the small entrepreneur from the financial institutions, instead of the other way around. I hope that the committees will look at these bills and ensure that what happens in these bills—the changes made to the institutions, the allowing of the relationship between these institutions—protects the consumer, protects the small entrepreneur, and protects the individuals who use them most and does not allow these institutions to take unfair advantage.

My father used to go to the city and say: "I wonder why it is that all the big buildings in this city are owned by the banks or the insurance companies. It must be because they take more out of our pockets than anybody else does". I think he still thinks that is true. The government has a responsibility to protect the general consumer from that kind of situation.

The effect of the changes in the Bank Act the last few times has been to provide less protection than before. As a farmer I know, for instance, that there was a time when if I bought a combine the only collateral required for that combine was the combine itself. Five years later the Bank Act was changed so that the collateral could be the combine and anything I produced on my farm.

Under the present Bank Act if I fail to pay, the bank or the financial corporation can take my combine, anything I produce and my land. That is the kind of change that has happened in the last few bank acts. It gives less and less protection to the people who need it the most. It gives protection to the people who have the power: the corporations.

• (1710)

The size of the institution is not as important as security. It is not as important as supervision. It is not as important as the government deciding to do what is best. We should not be changing these acts to protect the financial corporations or make it possible for them to make more profits. We should be changing these acts to ensure that the economy and the individuals who drive the economy are protected from large corporations which do not have, in our experience, a great many scruples when it comes to dealing with people.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I have listened to the hon. member with interest. He spoke a great deal about the safety for depositors. Certainly that is one of the main concerns of our party about this financial institution legislation. We do not want to happen in this country what has happened in the United States.

I would like to clarify one thing the hon. member said in his speech. He talked about safety. Is he suggesting that this legislation before us today does not give depositors more protection than they presently have?

Mr. Hovdebo: As I said at the beginning of my remarks, these are complex bills and I have no intention of defining what is in these bills. I am trying to suggest that in the past changes in the legislation made by this House have been brokered by the banks or the financial institutions. Their powers have been increased at the expense of the consumer, not only concerning lending, borrowing and the structure that is in place but also the ability of the institution to use those funds in ways which might endanger the deposit of the individual.

An hon. member: Standard Trust is an example.

Mr. Hovdebo: There are many examples in the last while of this happening. I am not sure if the guarantees in these bills are any better. It is our responsibility as legislators to be sure that they are and ensure the positions taken are not those dictated by the financial institutions but those that are best for the people we represent. They are not those financial institutions.

Maybe that side of the House represents financial institutions but not this side of the House.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I am rising on a point of order and I believe there is consent. Earlier today in Question Period I was asking a question of the Prime Minister and I said that I would table documents which would corroborate my statement.

The Prime Minister perhaps misinterpreted what I was saying or did not hear correctly because I was talking about the rate of child poverty and Canada's place in relation to the top industrialized nations of the world. I said that Canada stands next to the bottom on the list.

I am tabling in the House today a report from the Canadian Council on Social Development which corroborates my statement, statements from our own Senate Standing Committee on Social Affairs, Science and Technology report tabled here in the House in January of this year called "Children in Poverty: Toward a Better Future". There is also an article in the National Institute of Nutrition report.

I am happy and pleased to table these documents to corroborate my statement. If the Prime Minister did misinterpret my question I hope that he will apologize.

The Acting Speaker (Mr. DeBlois): Does the hon. member have consent to table these documents?

Some hon. members: Agreed.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I wanted to ask my colleague a question because he made a very fine speech. I wanted to ask him about the whole matter of financial institutions marketing insurance through their branches. I wonder if from his Saskatchewan experience he can comment on whether the credit unions in Saskatchewan marketing auto insurance, life insurance and other casualty insurance through their branches.

Mr. Hovdebo: There is a certain amount of relationship between credit unions and co-op insurance corporations, but the actual sale of insurance by the credit union is not legal and therefore does not go on.

However, it is my belief that there is no harm in financial institutions such as banks and trust companies selling insurance as long as they are selling insurance as a service and not as a profitable endeavour, that is as long as they are not part of the ownership of the insurance company that is doing it.

I say this because insurance is required by law on automobiles and in a number of situations. It is very easy for a corporation which lends you money to buy a house to insist that it also sells you insurance on that house and by that process take advantage of the fact that it is providing you with the funds to buy the house.

I think as long as that can be protected I have no real concerns about the relationship of the sale of insurance. I do have some concerns about the ownership of the corporation by the bank or the lending institution.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before resuming debate, I wish to advise the members that the period of five hours for 20—minutes speeches is now over. We will now hear 10—minutes speeches, without questions and comments. The hon. member for Gander—Grand Falls has the floor.

[*English*]

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I just want to put a couple of comments on the record during the closing moments of second reading of these bills that are before the House.

I was thinking that perhaps the most important consideration that the House of Commons should make in dealing with the Bank Act and dealing with financial institutions is the consideration of the effect of the Bank Act on Canadians, and I mean ordinary Canadians.

I was dealing with a problem just the other day where people who were laid off from a mining operation in the community of Buchans in Newfoundland found themselves in the situation where the separation pay that they had received, their pension funds, all of a sudden were being deducted from their federal government cheques, their MYLAP cheques.

What had happened was this: The federal government had passed a law that said those funds could no longer be rolled in RRSPs. Those people out there who had been laid off from the company, they didn't know anything about that. They did not know. Then of course the banks and the insurance companies said that ignorance of the law is no excuse, and neither is it. They were informed

after several months that what they had to do was put those funds into a trust fund.

• (1720)

The insurance companies and the banks did not inform them of what had transpired in the House of Commons that affected the moneys being sent out by the insurance companies to the banks. In other words, nobody thought to have a look at those people whom they were supposed to be serving as banks, as financial institutions, to point out to them that a simple change could have saved them an awful lot of money.

Well now, of course, it is too late. Those funds are gone. I know it is a bit complicated. It is difficult to simplify it even in speaking to the people concerned, but believe me there should have been a mechanism which said that the insurance companies and the banks involved had to inform those people that the law had changed and of the way to arrange things financially so that they would not be penalized.

Members stood up in this House not too long ago from the province of British Columbia. They were complaining about the fact that the banks were sending out letters to fishermen in that province about the moneys that were owed under the Fisheries Improvement Loans Act which came to an end in this Chamber a couple of years ago. In other words, when they get a loan now it is under the Small Businesses Loans Act.

The same letters that were received by those fishermen in the province of British Columbia were received by the fishermen in the province of Quebec on the north shore. The same letters were received in the province of New Brunswick, in the province of Nova Scotia, in the province of Prince Edward Island, and in the province of Newfoundland.

What it was was this: the banks had sent a letter to each person who had defaulted on loans eight and ten years ago that were guaranteed by the federal government and for which all collection proceedings had gone ahead. They had lost perhaps their boats, their nets, or whatever was put up as collateral. The banks were writing a letter on behalf of the federal Department of Finance to collect money on behalf of the federal government.

What a cosy relationship that was. Was there a finder's fee? They were acting as a collection agency. Were they getting paid? No, they were not. They were not getting paid. They were not being given a finder's fee. They paid for the stamp that went to every single person who had defaulted eight and ten years ago on loans telling them that the federal government wanted them to pay up on the money that it had paid to the banks because the federal government had guaranteed the loan in the first place. What a cosy relationship, a relationship that should not be there, that these acts of Parliament should prohibit.

I suppose we are getting into a new age, an age where transactions are not done with cash, not done with cheques, not done with money any more, but done with banking cards. I noticed the other day that the federal government has embarked on an experimental program with the banks in Canada to issue people who are receiving unemployment insurance benefits with a card, a banking card, with a 97K memory, whatever that means. The individual would be able to go to a bank and, instead of going into an unemployment insurance office and filling out forms or mailing forms in, they would be able to utilize a machine in the bank that would give them credit on this card.

Two cities are now being selected to try out this new system of disbursing money to individuals through the unemployment insurance scheme. Of course it requires the co-operation of banks because the banks would operate the machine and a credit would be registered when the individual used that card. They are calling it the smart card. That to my way of thinking was devised by some computer whiz somewhere in a federal government agency for people to use cards where there are no banking machines.

How many banking machines are there in our high unemployment areas of Canada? The Privacy Commissioner has looked at this experiment, given it his okay, and said that as long as the rest of the memory on the card is not being used for other purposes or is not an invasion of privacy into a person's bank account, then it is okay to use it.

I have spent many years in this Chamber. I have spent many of those years dealing with problems associated with people getting money and then having to pay it back after the fact, back to this federal government.

I can tell you now, Mr. Speaker, that the number of problems associated with people filling out that unemployment insurance form is going to multiply, because now somebody will be expected to go with a card into a bank and on that card will be their credit. They can then take that card and use it as a credit card anywhere in our society, based on what? Based on the information that was fed into a computer.

The minister who approved that of course is the Minister of Employment and Immigration. I have one final bit of advice for the Minister of Employment and Immigration. Instead of issuing smart cards to unemployed people, we should be issuing a get smart card to the Minister of Employment and Immigration.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, perhaps I should defer to the hon. member from the city of Toronto on the basis that I could probably learn quite a bit from him and therefore raise the level of erudition of the speech I am about to make.

Anyway, what we have here is the continuation of the whole corporate agenda which we saw exposed in its whole rotten being most vividly on election day, as someone has already indicated, November 21, 1988. Can you think of a more important day or a more significant day for the American non-banks to be able to come into Canada and operate as banks?

What we have here is a corporate agenda in spades, starting on November 21, 1988, election day. Shame on the government for having done it at least in the western part of Canada which is sometimes a problem with us. It established a mandate to do so simply on the basis of an Order in Council from the government of the previous election and continued on as arrogantly from that time into this time. Experience has shown us since that time that what came forth so vividly on election day was the beginning of a series of tragedies for Canada.

• (1730)

We have the experience of the free trade deal, which is the over-all deregulation, the umbrella deregulation scheme for the corporate agenda, having been hived off in the intervening time in Parliament through deregulation of airlines and trucking and, of course, changes to the Unemployment Insurance Act, where the government is no longer involved. Of course we need to have a level playing field and that would be so unfair to our poor American cousins south of the border. It would constitute an unfair trading practice *vis-à-vis* our commercial trading and financial dealings with them.

Let us look at one example of deregulation that has still not been completed. Maybe we should refer to a couple of them, airlines and trucking. Airline deregulation is not complete yet. It would certainly surprise me, hearing the rumblings coming from across the House, if the American airlines are not granted cabotage, which means they could bring passengers into Canada from the United States. There are so few American airlines of course, compared to Canadian ones. I should not even say that. It has come to the point where you cannot make any kind of a joke in this House for fear it is taken the wrong way.

Of course there are many more airlines in the United States and of course they are going to be bringing passengers in here and once cabotage is allowed, they are going to be demanding it. Any sort of limitation on our part is going to be strongly resisted, no longer by the government of the United States. The American airlines will be pleased enough to carry that on for Carla Hills and Company on their own.

Unfortunately when we hear rumours with regard to what has happened in Canada with deregulation, they usually come true. The rumours are that in all probability, one and perhaps even both of Canada's airlines may simply disappear from commerce in Canada.

The rumblings of Air Canada making some kind of an arrangement with one of the American airlines, U.S. Air, I think, is certainly disconcerting.

Without belabouring the point and referring to the trucking industry, we all are very well aware of the demonstrations late last spring and early summer of the Canadian truckers. They came to Ottawa to try to make representations to Parliament and to the opposition. They got a good reception from us but received a very negative reception from the government. Of course they had to repeat their actions within the last week or two in order to try to get the government's attention insofar as their plight is concerned.

I heard a reference in the House but I am not sure if it was in Question Period or not, just in the last couple of days, that 60 per cent of cross-border trucking was still carried on by Canadian truckers. Those are certainly old figures because it has almost turned entirely around —60 per cent of the cross-border trucking used to be done by Canadian trucks, now it is the other way around. The number of Canadian trucks involved in cross-border

trucking is diminishing very, very rapidly. The last figure I heard was 60–40 in favour of the Americans.

The point is this. We have this experience as far as deregulation is concerned in other industries and there is no reason why we should have any confidence in this government or in anything they do as far as helping Canadian business, industry or financial services are concerned. Speaking of those institutions themselves, I realize they were talking here about banking and financial institutions. The Canadian financial institutions are ostensibly heavily regulated even now and look at the changes to the Bank Act as being something which deregulates them and provides for less regulation. The experience of the Canadian financial institution is bad enough. It does not matter whether you think of the banks and their extremely high and atrocious rates of interest they charge on their credit cards. The rates they charge on bank credit cards are usurious. For what it is worth, I guess we ought to give the finance ministers a bit of credit for having brought the interest rate down as much as they have. But we also ought to really get on the case of the finance ministers as we were, and on this finance minister, for not doing everything he can to bring the interest rates which those financial institutions charge the Canadian consumer down.

We have the atrocious example out west, and I know there are examples in the east, of Principal Trust that is provincially and federally regulated. Those people who put their trust in Principal Trust have suffered enormous financial loss.

We are going to deregulate. This will not only eventually affect Canadian institutions, but if American Express is any example, American institutions which find their way into Canada as well. I am sure there are other financial institutions in the states which would take great exception, umbrage even, at not being able to come into Canada as American Express has done.

We could go on and on. There is a tremendous amount of danger in the banks getting into the insurance business. We do not have any problems with banks selling insurance for other companies if they, in their branches, want to sell for the Co-operator's, the Sask Mutual Insurance, or whatever and why not Saskatchewan government insurance as well. That is fine. But for banks to own the insurance company is something which would be absolutely intolerable.

Those kinds of examples can go on and on. We have the example of Eaton's and The Bay having joint financial services, which seems to be a bit of a conflict of interest in itself. We would certainly be at a great disadvantage as Canadians if, in addition to that, they were also able to form a trust company and then form a bank. It seems to me that what we would eventually have is a coming together of almost all the financial institutions in the country, whatever their shape or form, into one. That is the main danger and something we have to guard against.

The Acting Speaker (Mr. DeBlois): The hon. member for Essex—Windsor. Debate, a 10-minute speech only, without questions or comments.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my colleague from Saskatoon has talked about the problems which our legislation at this stage presents with respect to regulating foreign banks. I want to talk very briefly about the case of one of the most serious gaps which has been demonstrated by the case of the Bank of Credit and Commerce Canada.

The Bank of Credit and Commerce Canada, or BCCI Canada as I am going to refer to it, is of course the Canadian branch of the large international bank which became noted, to quote a CIA memorandum from 1986, as the "Bank of Crooks and Criminals". It was a bank which operated throughout the world in a way which is now quite clear in retrospect, was fraudulent virtually from the bottom up.

• (1740)

It was a bank which has now been charged in the United States in a number of different jurisdictions with fraudulently controlling American banks in states where it had been refused a bank licence itself. It has been identified as the bank of choice for money laundering by those engaged in drug dealing and other criminal activities throughout the world.

BCCI, in short, is an example of the worst excesses of the capitalist system world-wide. BCCI operated here in Canada through a series of eight bank branches across this country. It did so despite the fact that the Canadian Bankers' Association wrote formally to the Superintendent of Financial Institutions and spoke informally on a number of occasions before that to the Superintendent of Financial Institutions, suggesting that this was a bank which because of its associations and its reputations

throughout the world, did not have any right to be able to operate as a bank here in this country.

You might think, Mr. Speaker, that this was an unusual event for the CBA to take such a position. We asked the Canadian Bankers' Association in fact on Monday night if it had ever taken such a position before with respect to a member institution of its association. The answer: "No, we have never taken such a position."

They took that position in 1984 having communicated the position verbally before 1984 and despite that, the regulators in this country did nothing to stop that bank's operations in Canada. We also heard testimony on Monday night which indicated that RCMP investigations had taken place with reference to this bank in 1988 and 1989.

These RCMP investigations had led the officers involved to communicate with the Superintendent of Financial Institutions, OSFI, and had led those officers to tell OSFI of certain activities which they had discovered with respect to BCCI. Nothing happened. Nothing happened to stop this bank from continuing to receive deposits.

This bank was finally closed down on July 5 of this year, not because of something that emerged in Canada but because of international action co-ordinated by the Bank of England. The $107 million in deposits was immediately frozen for those depositors in this country who had relied on the regulation which was being undertaken of this bank.

Of that $107 million in deposits, only $20 million was covered by deposit insurance. That money has gone back to depositors, the $20 million.

That leaves something in the order of $87 million which depositors in good faith put into this bank and have very little chance of obtaining.

You might ask what this has to do with the bills in front of us. When the Canadian Bankers' Association testified before us on Monday night at the Standing Committee on Finance, it made a direct connection to Bill C-19, the revisions to the Bank Act. It indicates that there is no reference, and I am quoting here directly from the Canadian Bankers' Association, in the current act to the required regulatory standards of a foreign bank applicant.

The association goes on to say that under Bill C-19, applicants will not even have to be regulated financial institutions in their home jurisdiction. Government policy will be that any institutions which are, "primarily engaged in the business of providing financial services" will qualify it to apply for a Schedule II bank licence. Also from the CBA, "There is no reference to indicate to bank regulation or indeed a requirement that the applicant be a regulated financial institution of any kind."

They go on, Mr. Speaker, and this is perhaps the most damaging comment from the CBA with respect to this bill, to say: "Last March, well before the demise of BCCI, we advised the finance committee that in our view the entry rules for Schedule II banks proposed in Bill C-19 do not represent sound public policy."

The president of the CBA went on to say: "In my view these recommendations for change take on new urgency in light of the BCCI failure."

What we have here, Mr. Speaker, is something extraordinary. We have an international conspiracy involved in BCCI which even the Canadian Bankers' Association, of which BCCI was a member, concludes leads to without doubt the recognition that the regulatory authority that we have established for foreign banks in this country is not sound public policy. Even the bankers say it is not sound public policy. How the government of this country can expect people in Canada to accept a piece of legislation like this, given the very sad experience of the depositors in the BCCI in Canada, and given the very harsh judgment of the Canadian bankers themselves with respect to this regulation of foreign banks, frankly, is beyond me.

BCCI is an international scandal. Ultimately the case of BCCI in Canada will be seen as a regulatory scandal. I think that this bill coming before us like this, not closing the loopholes on banks like BCCI in the future, is as much of a scandal to this House.

I therefore hope very much that responsible members of this House will recognize the gaps in this legislation, recognize that foreign banks are being given far too much of a free hand, recognize the dangers which the BCCI case so clearly demonstrates. Therefore, we will reject this legislation that is in front of us. I hope very much that not just those of us in the New Democratic

Party, but those throughout the entire House will see that we do not need more examples of BCCI and the loss of depositors' money in the future. We will reject these pieces of legislation.

• (1750)

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to be able to stand in the House today to address these various pieces of legislation that deal with banks, co-operatives, credit associations, trust and insurance companies.

After having done considerable research and talked to people who are quite knowledgeable about this type of initiative, it seems to me that this package of legislation is a reasonable effort. It is a small step into the future, to make us more competitive, to bring about some greater degree of rationality to banks, trust companies, insurance companies and others. Hopefully it will permit additional flexibility in terms of the services offered to Canadians by banks, trust companies and insurance companies.

The major intent of this legislation is to ascertain that there is a similar range of services available to customers from those various institutions so that it is more competitive and hopefully the consumer will profit from that.

Insurance companies will now be able to own banks and trust companies and banks own insurance and trust companies. Banks will now be able to get into financial leasing and information processing companies. Hopefully that will bring about greater competition that will profit all Canadians.

I note, as well, that insurance companies will be able to lend money. Knowing the price that we have to pay today with high interest rates, it will permit those rates to drop and all Canadian consumers will profit.

When one looks at this legislation which covers hundreds of pages, actually hundreds of sections, one wonders what it is that one must do as a member of Parliament to attempt to ensure that Canadians are protected.

One of the questions that I want to raise is the following. What will government do with banks, trust and insurance companies to inform the Canadian public regarding what is happening? To ensure that when this bill becomes law that they understand the advantages, the disadvantages and the difficulties?

[*Translation*]

You no doubt know that it is extremely complicated. Even after speaking to many people and reading and considering this information, I admit that there are technicalities which are very hard to understand.

So I earnestly hope that the government will make a serious effort with these institutions to inform the general public.

[*English*]

My party supports this legislation in principle. However, we have a number of concerns, which will be raised in committee. I have heard a number of issues raised today by both opposition parties. The place to correct those is in committee. I would hope, as well, that the committee will be such that it will permit us to raise those issues and permit members to come to grips with them and bring about solutions so that in the end, when we have finished the process, we do have as fine a package as we can have.

A number of colleagues have noted that it is really high time that we come to grips with those kinds of issues, because it has been some 50 years or so since this legislation has been updated, but they have not said it in a negative kind of way.

It makes it increasingly difficult for us to compete in Canada. It makes it that much more difficult as well to compete on the international level. It is high time that we came to grips with this, because it will improve our competitiveness. It will I hope protect the depositors.

I cannot help but note that if this legislation had been in place there are a number of Canadians who would not have suffered the financial losses they have. I am referring, of course, to the failure of certain banks and trust companies. They would be better off today.

[*Translation*]

Because they would have been better protected, I hope. And frankly, if we could have proceeded sooner, hundreds, maybe thousands, of Canadians would have benefited from it.

[*English*]

Also there would have been fewer games played, and I do not use that in a pejorative sense. There was at least one insurance company which wanted to buy a trust company but because of the current legislation on the books, it had to buy it through a holding company. It was trying to get around the rules, and I understand its desire to do that. But now it can be up front; now insurance companies can in fact go forward and do so.

Hopefully when this package is finally restructured, refined, polished in committee, we can have a strengthening of the soundness of these institutions upon which Canadians depend.

I note one change which I am pleased with; one-third of the board of directors must not be affiliated with the company. I think that is a positive move.

I notice as well procedures for conflicts of interest. For example, an audit committee will be established which will deal with the auditor's report and any particular difficulties that emanate from that report. There will be a conduct review committee which will prevent self-dealing, where a director may have influence which could benefit him or her. It will prevent that kind of unacceptable practice.

Most important, however, is the consumer's complaint section. This section, I might add, is as a result of the Liberal amendment, and I am very pleased with that, will permit consumers to raise questions concerning service charges on accounts. A farmer, if he or she faces foreclosure, can go to the consumer complaints office and in fact to the superintendent if necessary.

There will also be an annual report where there will be a section on complaints, where those complaints will be described briefly and where it will be noted the kinds of successes that have been had in resolving those kinds of complaints.

[*Translation*]

I think that is progress. Mind you, some problems remain. It is not perfect, but I think it is progress, especially if it can be further improved in committee.

[*English*]

The whole question of ownership, the percentage of a company that one can own according to the current legislation and what will happen with the new legislation is something that we have to look at very very carefully. Are the percentages correct? Are they too limited? Are they too generous? What are the implications of those changes? What about the current percentages? If my memory serves me correctly, you have to own at least 51 per cent or no more than 10 per cent of another institution. Will that prevent joint ventures, which is a very common way of acquiring another institution?

As well, you will note that the banks cannot go further into the insurance market. While there are some positives there, we have to ask ourselves is that best for Canadians? Is this good for Canadians? Is it better for Canadians?

We have to realize that banks are powerful institutions and if they were to proceed in that area, I understand that they could in fact destabilize the insurance industry. There could be tied selling, that is you do not get a mortgage unless, or you get a mortgage if, and that could be a dangerous practice. They could, in fact, implement very low prices for certain services and they could then have a monopoly and then control that. That would be bad for Canadians. So there are pluses and minuses on both sides of those particular issues.

When we talk about the life annuity market, we have to be very careful because while it is a life insurance company only now, as Canadians grow older, as they convert various plans into life annuities, as they must under certain circumstances, would it be wise to have banks involved so that we as aging Canadians can get better deals?

• (1800)

The whole notion of being involved or not involved in leasing is another question that needs to be looked at very, very carefully.

I want to address the question of foreign banks in Canada. The bank must be a bank in its home country before it can qualify according to the current legislation, the legislation before us. Why was American Express admitted?

AMEX is not a bank. Why was it let in? Some people suggest that because it supported the government significantly with respect to the Canada–U.S. trade agreement that it might have got preferential treatment. Whether it did or not is not the major issue. The issue is: What will happen to other companies that are of a very similar nature? Will they be asking to get in? If so, will they be denied? Do we want non–banks?

There are large financial institutions in the United States and in other places that could in fact be trying to get into the Canadian financial market. The fundamental question is do we want that?

Another issue is: Should the Minister of Finance be able to decide who qualifies as a foreign bank in order to get into Canada's financial market? I cannot help but note that because of the GATT negotiations, the General Agreement on Tariffs and Trade with other countries, that they may see a precedent that they may want to take advantage of and that may open up a whole new avenue to other financial institutions wanting to get into Canada.

Perhaps a final point before I sum up very quickly. There is still a duplication of federal and provincial rules, regulations, legislation and what have you between the trust companies and banks. I think this needs to be looked at because this kind of duplication obviously does not lead to greater efficiency.

[*Translation*]

Mr. Speaker, I will close by saying again that in principle we support the bill before us today. Nevertheless, we wish to improve it when it is considered in committee. I think it is a step forward.

[*English*]

I would hope that out of this, we would get the following: First, more protection for the consumer; better deals for the consumer in terms of those services that are required and I would hope, as well, that we can in fact become more competitive in the positive sense. That is, we as Canadians can get better protection, more services and still be competitive at the international level.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I too would like to join in with some of my colleagues, especially those on this side of the House in this party who have spoken so eloquently on some of the pitfalls in the legislation even though as a party in principle we are supporting it at second reading so that we can get it before a committee.

You have seen some of the pitfalls of this legislation. It is legislation that is designed, as my colleague from Dartmouth indicated earlier, specifically to set new financial infrastructure for a new economic order in this country.

In establishing that new financial infrastructure, we have got to maintain first and foremost very well in perspective the people for whom it is designed. It is designed not only for depositors as members of the NDP have said, but also for the borrowers, the consumers, the small businessman, the individual who is under attack today as a result of government policies and mismanagement of the highest order never before seen in this country.

I guess what I am saying is what we should be addressing is not only the over–all financial infrastructure but the scope of its dimensions. Where should it be going? What should it be addressing? If nothing else, it should be addressing the crux of many problems.

Many small businesses throughout Canada, in particular in my home province of Ontario and more specifically in the city of Toronto, are prone to say that banks and other lenders in times that are good, in times of prosperity, are the first ones to offer moneys and to say: "Let's be partners. Invest. Expand."

The moment that things fall apart, banks are the first ones to pull back and to leave the small businessman, the investor, the entrepreneur who is short on cash flow with a bank that demands its note, and demands it yesterday.

What has happened is that we have seen throughout all of Canada an increase in bankruptcies of an obscene order. They are of obscene order. We have never seen such bankruptcies at that rate ever in Canada.

I noticed today that the Minister of Finance, the Minister for International Trade and the Minister for Privatization all stood before us in this House and said:

"Oh yes, but there is a steadying trend, in fact, we do not have as many bankruptcies this last month as we have had in the past several months".

There are not that many more businesses available to go bankrupt. What is happening as well is that all of us as Canadian taxpayers are being turned into financiers in short order. What happens is that the moment there is a bankruptcy declared, Revenue Canada needs to get its share. There are some moneys that have not been paid that are owing to Revenue Canada, to the Minister of Revenue, and what happens is that the taxpayer ends up on the short end of a deal as well. We end up paying twice: first, for having lost our businesses and jobs available through it, and second, because our taxes have not been paid.

We have to take a look at what these acts are going to do by way of establishing incentives for our entrepreneurs. Small businessmen, entrepreneurs of all sizes need access to capital. They need to establish working capital as they anticipate growing cash flow.

I do not know whether this series of legislation is going to address that, but one of the things the government must address is the fact that these acts cannot operate in a vacuum. They have to establish appropriate economic policies that allow the Canadian entrepreneur to have access to capital on an equal basis, no matter in what province he or she chooses to operate.

For example, I have a company, the Hercules Food Equipment, Limited, in Toronto, Ontario, in my own city which bemoans the fact that just over the course of the year, it has lost over 50 per cent of all fabricators of food equipment in the stainless steel industry. Over 50 per cent, Mr. Speaker. It points out the fact that unfortunately, thanks to government policies, not only in encouraging the transmigration of some of these industries over into the southern part of our borders in the northeastern United States, but that government policies seem to misdirected and pitting one province against another, and unfairly pitting one Canadian against another. They faxed me a list of 28 public projects that the stainless steel producing industry for food processing has been unable to secure in the southern Ontario area, but have gone to another area, to companies that locate in Quebec.

There is nothing wrong with that because Canadians are Canadians no matter where they go, but the fact of the matter is that what we have is an economic policy that encourages movement southward. Why do I say it encourages movement southward. When we signed that free trade agreement, we did not get the security we needed to ensure that the playing field would be level. We have New York state, Ohio and other Great Lakes states that are providing our manufacturers with kinds of tax incentives on capital equipment, on property, on subsidies to employees, and as well on the general operations that we cannot afford here in Canada.

Our federal government has not addressed that at all. In fact, not only has it not addressed that, but we see Canadian companies going south in droves. Just last year, 83 Canadian companies set up shop in the Buffalo area alone. Buffalo used to be a joke in southern Ontario. It is now a nemesis for all of us.

My colleague from Broadview—Greenwood said there is a waiting list of Canadian companies that number in the thousands to locate in Buffalo. Last year my colleague from Broadview—Greenwood will know that Canadian companies invested $263 million in Buffalo alone, $263 million at a time when all of our Canadian manufacturers, Canadian employees or prospective employees are looking for that kind of cash flow.

To what is that due? Nothing else other than a Canadian federal government that is unwilling to seize the responsibility that lies on its shoulders. It is a responsibility that says that what we have to do is have an overall global strategy that involves reforming all of our financial institutions, an industrial strategy that ensures that government incentives are at least equal to those that are provided south of our border, or at least are equitable from province to province so that we do not have competing interests from Quebec or from Ontario, but rather that we be co-operative and complementary.

• (1810)

An hon. member: It is called a retreat from government.

Mr. Volpe: Of course it is a retreat from government.

It is shocking in fact that over the course of this last year this retreat from government—

Mr. Mills: They no longer want to govern.

Mr. Volpe: My colleague from Broadview—Greenwood says this government no longer wants to govern. The reason we can say that and say it with such assurance, although it is unfortunately a rather bitter sort of assurance, is that we have over the course we of this last year just in the Toronto area alone an increase of over 63 per cent unemployment.

In Toronto, which used to be wealthy, there are 226,000 unemployed. In my own riding of 600 manufacturers that were in operation in 1988, there are barely 100 operating today, barely 100, and they are not even operating a full 40-hour week.

Statistics Canada and other independent sources point to the nature of the destruction of our economy perpetrated by government policy. They point in fact to the kinds of layoffs in the province of Ontario, a rich manufacturing base once that provided needed tax revenues to fund all kinds of social programs throughout this country.

Well, what has happened? Over the course of last year alone, just last year, the number of permanent jobs lost as a result of the transfer of manufacturing south and elsewhere increased at such proportions that compared to 1982, when we last had a recession, the number and percentage of permanent jobs that were lost is 66. Two out of every three jobs lost is a permanent job, one that will not come back, one that paid well, and one that can no longer be replaced.

By comparison, in 1982 when things were bad only one out of every five was a permanent type of job.

In the legislation that we are going to be considering when we go to committee, we will be looking for those kinds of guarantees and this deregulation of the financial system, the financial infrastructure of our country to ensure that those changes that the government is proposing are going to work to the advantage of the borrower. They are going to work to the advantage of the small business person, the individual who is going to be the backbone of the regrowth in this economy if, in fact, we can be optimistic.

The other thing we will be looking for is an assurance that government policies will be widespread and will not take sector by sector, but will have a global view.

I thank you for that, Mr. Speaker, and so do all of those businesses which are looking for new directions in government today and especially a direction that abandons all of this mismanagement of the past.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I want to begin this afternoon by thanking the member for Nickel Belt. He is our critic and he keeps our caucus informed on the many changes that are proposed in these four bills. The reason I want to thank him this afternoon is that this morning I was cursing him because as I walked into my office, yet again there was another thick file from our critic on these four bills. I was trying to read through it and pick up what had been done in committee and what was proposed in each particular piece of legislation, the comments, the critiques that have been put forward, and it struck me as I went through the material that I have at least access to this information. Most of us, as Canadians, do not.

In a technical sense I suppose you could say these are not secret documents. They are public documents. They are matters which are available to the public, but then again is it a reasonable assumption that the public can go through all these little differences that are being proposed in these four bills, understand, for example, all the fine nuances between a bank not being able to sell insurance but being able to set up an insurance company. What is the difference?

That, I think, is one of the hallmarks of the Canadian financial institutions. Canadians have always assumed that if it looks like a bank, smells like a bank, and when they go in there they are made line up, then it must be a bank. When you read the fine print you find out it is not a bank. It is something else.

Canadians have had a summer where there has been a healthy amount of newspaper copy written about something that was called a bank but really was not a bank. It did not have proper credentials in its own country but was set up and operating here as a bank. Even embassies were using this bank, but that bank somehow had some wrong connections. There was enough juiciness around that one that I suppose Canadians aware that maybe not all banks are the same, maybe not all lending institutions are the same. Most of us, I am sure, when we started our working lives were ever so grateful when the manager at the local bank said: "Yes, we are going to give you that loan for a new car". We were just so grateful that we

were such good credit risks that a bank would lend us money that we forgot to read the fine print.

Later on in life we found out why it is that lending institutions are just overjoyed to give you a really long-term mortgage on a house. Some time in your life you probably sat down and figured out just exactly how much of this money that you pay each month to a lending institution pays off the principal of the debt and how much of it goes into juice to the lending institution. The first time you do that most Canadians are absolutely shocked that this nice, warm, friendly, trusting person who arranged all of these financial transactions for you that made you feel so good, so much a part of the Canadian economy, had just ripped you for about 20 years of your life.

After a while you kind of begin to understand: Let us all read the fine print here, let us just try to figure out who is doing whom a favour.

I must say that in dealing with lending institutions these days I find, just as a general simplification, there seems to be a little more aura of laying out the facts before you. I recall when somebody sold me my first insurance policy. As a matter of fact this one was supposed to get my kids through university. That is a noble thing. I thought that was a great idea: "Why do we not invest in our children's future? This is wonderful. Are these companies not great to be putting out this kind of a policy that will help me when my child is 18 years of age? I do not have to worry about a college education. The money is in the bank".

It is a good thing I did not quite follow all of that line because I subsequently found out that if I had taken that money to a piggy bank I would have been just about as well off as buying that life insurance policy. Nobody bothered to explain that to me at the time, and the person who sold me the policy was not an evil person. They did not catch me in the backyard with a billy club. They came in and sat down at my kitchen table and explained: "Isn't this a wonderful thing to do?" Well of course it is. Investing in your children's future is what all of us want to do. That is part of my concern about these bills.

Most Canadians have an assumption in terms of the great Canadian tradition that the government is going to be around, that there will be an agency to regulate and it will be an outside agency. It will not be self-regulation. Most Canadians understand that a financial institution is in business to make money. That is what they are going to do as best they can, following the laws of the land to the letter and sometimes a little past the letter and sometimes a little to the left of the letter and sometimes a little right of the letter. The purpose of the exercise is clearly stated: to make money as legally as they can with the help of a whole lot of really good lawyers, a lot of accountants, a lot of smart tax people, and some friends on the government side.

That is my concern in a nutshell about what is happening here. It is not that on the surface of it, it looks like a lot of evil deeds. But when one gets into the detail of what is being proposed here, that age old assumption that Canadians have had that their financial institutions are well and thoroughly regulated by an independent party is out the window. There were those of us who got a little pious over things like the savings and loans scandals in the United States. We were concerned that here were lending institutions that started out in the United States of America a long time ago with a very simply idea of offering a little diversity for the financing of houses. They offered a little opportunity for ordinary people to get mortgage money in a way that had not been done previously. That really good idea, that gem of a thought somehow wound up in the hands of people who were so greedy that it did not bother them that they were mortgaging properties to values that were astronomical. Commercial investment opportunities that were worth $50 million wound up being mortgaged to the tune of a $200 million.

How did that happen? That happened very simply because there was not in place a regulatory agency independent of those handling the money. That is part of my concern with what is being proposed here. I think all of us rightfully made the assumption that Canadian financial institutions were somehow distinctively Canadian, regulated by an independent agency, would do us no wrong, were safe things and all that stuff about our deposits being insured to a certain extent. People do not read those last few words in that line: to a certain extent, to a maximum, in some circumstances. People had better learn to read that.

• (1820)

Most of us who have been in public life for a while have had someone come into our offices—and this is the irony, especially for a New Democrat—who was certainly not a political ally but told us about a friend of theirs who

got them into an investment with a particular kind of company. Since this was the great free enterprise system at work and since their friend had initiated all of the proceeding—had got them into it, took all their life savings and put them into this institution—they somehow assumed that in Canada this could not go wrong.

The tragedy of course is that it has gone wrong. Many times many of us have sat in our constituency offices with someone who was not a political ally crying because the system that they purported to be very much theirs had ruined their lives. People are beginning now to understand that this is a pretty complicated business.

The federal government regulates, writes legislation in this regard. The provincial governments write legislation in similar matters. We are now going into a constitutional proposal that is going to mix that rather nicely and maybe have an economic council that has an influence and an impact on all that.

Here is the problem. When governments at all levels say "what shall we do", they do not drag in the consumers by the thousands. That is perhaps impractical. What they do is they turn to people working in the industry and they say: "What changes shall we make that would make the industry more competitive"—read that to mean makes more money—"or more efficient?" Read that to mean pays out less money.

We must understand what is going on here. This is pretty basic stuff. These are all legitimate questions to be asking, but one does not always ask those who are in the business to be one's sole advisors on what a government should be, on what things a government should do, on what kind of regulations a government should put in place, on what kind of laws a government should write. That is the flaw that I find in the legislation that is before this evening.

I know that most Canadians probably are not listening to this debate. Most of them will probably never read these bills. Most of them may not be followers of *Business Week* and all of the financial critiques that have been put together on these four bills. Canadians had better become aware that there is a major change under way in those things that are loosely called financial institutions and most of us would call banks. I pray that they do not become aware of those changes in my constituency office when something awful has happened to them, no matter who they might be.

That is precisely the danger in what is being proposed here this afternoon. It requires an immense amount of study, an immense amount of research, and the players are dictating the rules. That is never a good way to proceed.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I just want to say a few words on this bill before we get on to the next one.

We are in a new age and certainly there are new requirements in the banking business in this country if we are going to be competitive. If we do not give the small business community of this nation a better banking policy, it is not going to continue to be the biggest employer in Canada and the economy of this nation is going to suffer still more.

What small businesses need today more than anything else is working capital. Without that they cannot progress. Without that they cannot keep their employees. Without that they cannot continue to build and maintain their present facilities so that they are ready to meet the new economy when the recession is over.

I had a meeting during the course of the last year with several business people from the resource based industries. The local bank was after them the moment that the 15 per cent export tax went on softwood lumber. The bank sent a man into a certain branch and he continued to phone those business people who had loans there and demanded the money. It was totally an unfair situation.

What was going on south of the border at that time? The American banks and trust companies saw that 15 per cent tax on softwood lumber as a great ploy for them to move in, and they started loaning money and offering money to their resource based industries. They improved their sawmilling capacity, their planing mills and their lumber industry in general. They had better equipment, did a better job. As a result they took the Canadian market away from Canadian business people in Canada.

They even sold lumber back into Canada, cheaper than we could sell it to the United States. Those northern industries in the U.S. took over markets in the United States as far south as Tennessee from business people in Canada. That is not fairness.

Yet a Canadian bank moved in on those very people, the sawmill industry. It had worked with them for decades and never had a problem. That is how loyal the banking system of this nation is to small business in this country.

It is time that this Parliament of Canada starts passing banking bills. I have been in this House for some time and I cannot remember a banking bill ever being passed in this House in favour of the consumer or the business people of the country. We have a sound banking system, but it is sound because the people out there are being crucified as soon as the economy begins a downturn.

When the economy is good everybody wants to lend money to the business community, to consumers; banks have all kinds of money to give out. As soon as the economy turns bad they turn on those customers.

Banks sometimes even encourage them to borrow. Banks encouraged farmers to borrow several years ago and got many of them into trouble. Today we have a farm crisis in this country and the banks do not even want to look at it.

Someone mentioned bankruptcies in this country. It is no wonder that we have bankruptcies with the challenges that small business people and others are facing out there. This Parliament of Canada owes it to those people, who are the biggest employers in this country, to bring in some banking legislation to give them some protection in difficult times such as now.

A lot has been said in this House in the last number of months about the downturn of the economy and the slow economy in places like Montreal and Toronto. People find that astounding because these two urban centres of Canada are usually very much on the upswing. There is a big reason why those two major cities in Canada are having trouble and it has never really been talked about. The economy of the regions of this country is in difficult straits. Because those two major urban centres do not have the healthy economies of the regions of the country to draw on ,they are suffering a downturn in their own economies.

As long as we have banking legislation in this country which allows banks to impose their authority, their demands on the business community of this country, all we are doing is promoting a greater and greater recession the moment there is a downturn in the economy.

I was appalled at the treatment a group of forest industries in my riding received from their local bank. The banker they dealt with had no mercy.

It is rather amusing. I phoned the head office of the bank and it was turned over to its regional officer working out of Ottawa. He came in as a trouble-shooter. That is exactly what he was. Two days before we had that meeting with the rep from that bank and with the sawmilling people in the area, the local banker disappeared from the scene. He was hauled out because he had created bad relations and bad spirit in the surrounding community for the bank.

I am simply going to leave this thought with the House, and it certainly should be discussed when this bill is in committee.

• (1830)

We should be coming up with some legislation in this House that is going to protect the business community of this country, the small businessman and those people who employ the largest number of people coast to coast to coast in Canada.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I guess I would like to add my voice from the far west coast in this debate on the Canadian banking system and the proposals that we have before us to change the financial institutions in Canada, to open them up and to take over each other's business.

I guess I am a little concerned about this legislation as well. I do hope that these bills form the basis of a discussion that can take place when it is referred to committee across Canada. I think the parliamentarians, especially on the government side, will find out that in drafting this legislation they have been listening to a very narrow range of opinion in this country. If they open the debate within the committee that handles this legislation, they are going to get a very different message from people across the country as to how they would like their financial institutions to act and how they would like financial institutions to serve the people of this country.

Canadian banks have traditionally been among the most powerful financial institutions on the globe. It is strange that in a country with a population of 20 million to 30 million we have banks that rank among the most powerful banks on earth in terms of the assets they

control and the power they exert in business around the world.

It is hard to explain when you consider the size of our population and the actual deposit base that they have to work from. One of the reasons for that and one of the reasons for the power of the banking system in this country is that they have been able to exert a great deal of power and control over this very institution in which we stand.

They donate to the two main political parties in this country, and they influence how those political parties deal with banking legislation. They have close contacts and interlocking contacts with the corporate sector in this country. They influence the business of this country to a great extent through those interlocking contacts.

They have the power to influence banking policy and it is clear that that influence has been exerted in this legislation. It is clear to see that the bankers, the insurance companies, the trust company executives, and the financial institutions have had a great deal to say about the legislation that is before us now.

The American Express example that our friend from the Liberal Party mentioned was probably an exception that proved the rule. This is one that the Canadian Banking Association was opposed to, but it is one of the very few times when it attempted to influence the government. It has not been successful in influencing it in exactly the way it wanted.

In fact, what the member suggested is precisely what happened. When the Prime Minister was concerned that his party was going to lose the last election, that his Conservatives would end up out of government and the free trade policy on which they had hung their hat was going to be defeated by Canadians, he called upon one of his cronies in the American Express system from the United States and that person recruited a great deal of funding and a great deal of support both in Canada and in the United States.

They advertised in the major media across the country and began to turn the tide in the last election in favour of the Conservatives, and the Prime Minister's cronies in the United States got their reward: they got the Conservative government re-elected and they got their free trade policy.

American Express also got its reward. On the eve of the election it got a charter to set up a bank in Canada, even though it is not a banking corporation in the country in which it originates, the United States.

That is a way in which banking policy can be influenced in this country, by applying political influence on behalf of the government in power. There is no question that the banks do that.

The banks' influence on government has also come in other ways and in other fields. For example, I have been in banks all across this country and talked to trade unionists about their success in organizing chartered banks. Across this country the number of banks which are organized and have unionized staff can probably be counted on the fingers of both hands.

That is because banks have been able to impose their influence on provincial and federal governments to ensure that it is extremely difficult to organize the workers in chartered banks so that they cannot form unions, cannot organize and bargain collectively, and cannot set up grievance procedures in order to protect themselves and secure their jobs.

Banks are the most patriarchal employers in this country. They are the most medieval in terms of the standards they impose on their employees. In general, bank managers are male, upper middle class, elderly, with a particular point of view about the country and its economy. They tend to appoint as their staff members people who have the same characteristics and the same beliefs.

For example, we have federal employment equity legislation in this country governing companies that operate within the federal jurisdiction, among which are the chartered banks. Yet for some reason the current government refuses to put teeth in that employment equity legislation. That would require the corporations operating within their jurisdiction to actually bring about employment equity within their organizations.

The banks have been among the worst in terms of hiring women and promoting women to management positions. They have been among the worst in terms of hiring aboriginal people. In appointing aboriginal people to management positions, banks have been among the worst. In incorporating the handicapped and the dis-

abled, banks have been among the worst. That is because they have been able to influence and persuade government because of their power over government to leave the teeth out of the employment equity legislation.

The same thing applies to pay equity legislation. Women who are employed in the chartered banks tend to be employed in jobs that are extremely low paying relative to the jobs occupied by men in the chartered bank system. Again this is an area that is within the federal jurisdiction. Yet there is absolutely no legislation to protect those women or to incorporate pay equity in the chartered banks and financial institutions that come under the jurisdiction of the federal government.

All of these things have been a result of the banks' ability to exert power over the federal government. Things have been absolutely the opposite of the way they should be. Instead of being the regulated, banks are actually the regulators which are regulating the federal government. It is not the other way around.

I do not think, as my colleague suggested, that customers of chartered banks are going to be secure until they feel secure that the federal government is actually regulating the chartered banks and imposing tough regulations with teeth.

I would like to close by talking about income tax legislation. In the average year the bank tellers working on the floors of those chartered banks pay more income tax to this Parliament than the banks do themselves, despite the horrendous profits those banks are making. The burden of taxation in this country has been totally distorted and totally turned on its head.

It is to be expected that in a country like this there would be no representation without taxation. Yet the banks have more representation in this country, despite the fact they pay no tax, than the tellers who work in those banks without the protection of labour laws, without the protection of trade unions, without the protection of employment equity legislation, without the protection of pay equity legislation. Even though they pay more tax to support the government of this country, they appear to have no representation in the drafting of legislation with respect to financial institutions.

• (1840)

I support my colleague who is voting against this legislation. I hope that when it goes into committee that the discussion will be wide ranging and that we will not listen to that narrow range of people who appear to have had influence in drafting this legislation. I hope that we will listen to all of the Canadian people in terms of the concerns that they have about their banks and institutions, and I hope that having heard those concerns the government will be prepared to pull and redraft this legislation.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): Pursuant to order adopted Wednesday, September 25, 1991, the question is on the motion of the Minister of Finance for second reading and referral to the Standing Committee on Finance of Bill C–19, an Act respecting banks and banking.

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

Some hon. members: On division.

Motion agreed to and bill read the second time and referred to the Standing Committee on Finance.

The Acting Speaker (Mr. DeBlois): Pursuant to order adopted Wednesdy, September 25, 1991, the next question is on the motion of the Minister of State (Finance) for second reading and referral to the Standing Committee on Finance of Bill C–28, an Act respecting insurance companies and fraternal benefit societies.

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

Some hon. members: On division.

Motion agreed to and bill read the second time and referred to the Standing Committee on Finance.

The Acting Speaker (Mr. DeBlois): Pursant to order adopted Wednesday, September 25, 1991, the next question is on the motion of the Minister of State (Finance) for second reading and referral to the Standing Committee on Finance of Bill C–34, an Act to revise and amend the law governing cooperative credit associations and to provide for related and consequential matters.

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

Some hon. members: On division.

Motion agreed to and bill read the second time and referred to the Standing Committee on Finance.

[*English*]

SUSPENSION OF SITTING

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I wonder, Mr. Speaker, whether the House would agree to suspend this sitting until seven o'clock at the commencement of Private Members' Business. Is that agreed?

Some hon. members: Agreed.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The sitting of the House is suspended until 7 p.m.

At 6.41 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 7.03 p.m.

PRIVATE MEMBERS' BUSINESS

[*English*]

ATOMIC ENERGY CONTROL ACT

MEASURE TO AMEND

The House resumed from Tuesday, June 11, consider of the motion of Mr. Blaikie that Bill C-204, an act to amend the Atomic Energy Control Act (ending development and exportation of prescribed items and substances) be read the second time and referred to Legislative Committee D.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a plethora of information here and I am going to have to put it in a brief form.

When I spoke last I was saying that in Canada we go to great lengths to be positive when we are building something. We have some tremendous achievements in this country, but once we achieve them we seem to want to tear them apart. This bill that is before us, Bill C-204, is designed to phase out the generation of electricity by nuclear power in Canada.

I am unreservedly and totally opposed to this bill, because I think it is terrible. In the 1950s Canada produced an Arrow aircraft which was considered to be the best in the world. We had a change of government and by 1960 the plane had been cancelled. It would still have been a good plane today and Canada lost that technology.

It is unfair in this debate for people to talk about nuclear weapons in the same tone that they use when they talk about nuclear energy. That is not fair. It is dishonest debating.

Sometimes we have to go outside our own country in order to find people who are proud of our achievements. For example, when the Challenger space shuttle needed repairs, where did they go? They went to Atomic Energy of Canada Limited, which had been known for good production and technology over the years. They were known for their Candu reactor, which has never had an accident and was equipped with many safety features, even for human error. That has never come out.

The United States came to Canada, to Atomic Energy of Canada Limited. Atomic Energy of Canada made the O-ring for the Challenger space shuttle and it has been successful ever since. Again we had to go outside our country to be recognized.

Other people compare Chernobyl and the Russian reactor to the Candu reactor. That is absolutely dishonest politics. There is no comparison between the two. The Russians built their systems without any safety features built into them and they got the problem they deserved. Here in Canada the reason why our Candu reactors are so expensive is that we have built safety devices into them and we have never had an accident.

We sometimes think that the only thing you get radiation from around here is the nuclear industry. I am reminded of the story—and it is not just a story; it is a fact of life—where daughter number one, for example, wanted to work in Toronto at the top of the CN tower for the summer or go to the Darlington nuclear plant. Experts will tell you that she would get a greater radiation dose at the top of the CN tower in Toronto than she would have had at the Darlington nuclear plant

because of the safety features built into Darlington. Of course in nature, the higher you go in space the more radiation you get. That is why stewardesses who are pregnant are not allowed to go on long flights at certain times during their pregnancy. It is a safety measure. That is nature.

There are many countries in this world that have taken Canada's lead. They do not have the same kind of reactor we have. Here is an example. In France, 74.5 per cent of France's electrical power is generated by nuclear power. In Belgium, 60.1 per cent; the Republic of Korea, 49.1 per cent; in Sweden, 45.9 per cent. Sweden is a country that decided it might phase out the nuclear option too and it is already reconsidering that option.

If Canada is going to get its debt under control then it needs to have a buoyant economy creating wealth. It is not a given right that Canada's traditional wealth creating industries, that is our resources, will continue to perform as they have in the past. Nor is it true that our manufacturing and agricultural industries can compete internationally. The assets we have which can give us a competitive edge are the abundant energy resources of oil, natural gas, coal, hydro, nuclear and biomass, to name a few.

I want to say here that as an educator I am absolutely astounded at the uninformed opinion that is being projected by those who speak negatively about nuclear energy for peaceful purposes. Scare tactics are being used and it is totally unfair to the integrity of this debate in Canada. Christopher Columbus was warned by a similar mentality that if he travelled too far out to sea he would fall off the end of the world. If such were the case, the Ontario voters would probably be sending the NDP Government of Ontario on a long voyage tomorrow morning.

In summing up, I want to say that wise decisions will promote success; poor ones will guarantee failure. If this bill ever sees the light of day in legislation, then we have failed and the nation has failed.

• (1910)

In Ontario alone, which is the heartland of industry in all of Canada, 53 per cent of hydroelectric power will be produced by nuclear power when Darlington comes on stream. We are seeing an attack on our capacity to produce jobs and on industrial growth down the road in Canadian history. The greatest asset we have in this nation is cheap energy. With all the other things we have to compete with in this world tomorrow and the next day after, we are going to need a long-term solid base for industry in this country. That solid base is going to be cheap energy.

In closing, I want to say that the nuclear generation of power is safe in that it does not spew gasses out into the environment. It is one of the safest things going.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am honoured to carry on with the second reading debate of Bill C-204, a bill introduced by my colleague from Winnipeg Transcona.

I invite our viewers tonight to read his speech of June 11 of this year given with the introduction of this bill. It does give a comprehensive overview of the entire issue.

As I am limited in time I will focus only on two aspects of the nuclear phase out: the economic aspect and the environmental. We are often told that the two should be linked. It is those two aspects I have chosen to focus my comments on.

I am going to start with the economic argument because increasingly this government seems to be instituting a philosophy of economic determinism, that is economics determines its policy. I invite people to understand that the economics of the nuclear industry is bad economics.

Federal tax dollars have funded the development of nuclear technology. It has been estimated in a study published by the Economic Council of Canada that $19 billion—that is billion with a *b* in 1990 dollars—was given in federal subsidies, including grants for research and development, loan guarantees and bailouts for prototype reactors and heavy water plants. "It is doubtful", the Economic Council of Canada states in this study, "that these costs will never be recovered".

If we are talking about economic determinism this is bad economics. We are never going to get our money back for the investment we make.

The Canadian nuclear industry does rely on government subsidies to stay alive. Atomic Energy of Canada Limited continues to receive over $200 million each year from Canadian taxpayers. Mr. Speaker, you and I and all those other people out there are funding the nuclear industry whether we like it or not.

This is in contravention of what I think most Canadians want. The previous government in 1979, under the then Prime Minister, the current Minister responsible

for Constitutional Affairs, promised a public inquiry into the nuclear industry. Just prior to the 1984 election there was a promise of a public inquiry into the nuclear industry. Again, in 1989 the then Minister of the Environment, who is now currently the head of the Bloc Quebecois, and the current Minister of Energy, Mines and Resources promised a public review of nuclear power. We have not yet had it.

This bill, Bill C–204, is our chance to have a public debate at long last on the nuclear industry. We also have to know what the economic costs are. In terms of capital costs nuclear plants are extremely expensive to build. The cost of the Darlington nuclear station is estimated at about $2.5 billion. Hydro's newest estimate for Darlington is about $12.8 billion. It is not just the cost in dollars that we have to talk about, it is the environmental cost. That is what I want to talk about now, and particularly the issue of high level nuclear waste.

Inside every nuclear reactor, hundreds of radioactive substances are created, substances that did not exist before nuclear technology was developed. They are among the most toxic materials known to science. No one knows how to dispose of them.

Spent nuclear fuel is so radioactive that it can never be handled by human hands. It must be handled by robotic equipment. Spent nuclear fuel will remain unapproachable for several centuries and extremely toxic for hundreds of thousands of years.

Nuclear wastes are also deadly in another way. They contain the raw material for nuclear weapons. Plutonium is the key ingredient in nuclear bombs. Through a process of reprocessing plutonium can be separated from spent fuel. The nuclear industry supports reprocessing because plutonium can also be used to fuel reactors.

Although the Canadian government has not approved commercial scale reprocessing AECL, funded by our tax dollars, has promoted it and practised it on a small scale.

Over 17,000 tonnes of used nuclear fuel bundles are now being stored at reactor sites in Ontario, Quebec and New Brunswick. Canada is being put forward as a nuclear waste disposal site for the world. Both Japan and the United States have helped finance AECL's disposal research.

A former energy minister wrote in 1984 that disposing of nuclear wastes from other countries could offer considerable commercial benefits. I want a public debate on this issue because the Canadian taxpayers do not know what their tax dollars are being used for. If they knew there would be an outcry of monumental proportions.

AECL has spent over 10 years attempting to prove that deep disposal in a geologic repository is the answer to high level nuclear waste. AECL has spent hundreds of millions of dollars attempting to confirm a single solution, a deep geological repository for nuclear waste.

There is a more fundamental problem with Canada's nuclear waste disposal program. It has been conceived and implemented by individuals and institutions committed to the preservation of the nuclear industry. We only hear one side of the issue. AECL's mandate is to promote the use of nuclear power in Canada and abroad. Its interests would not be served by demonstrating the weakness of the concept of deep geological disposal or by admitting that not enough is known to reach a scientific verdict.

This issue has been before this House many times. A 1988 report of the federal Standing Committee on Environment and Forestry entitled *The Eleventh Hour*, a very aptly named report, recommended unanimously that a moratorium on the construction of nuclear power plants in Canada should be imposed until the people of Canada have agreed on an acceptable solution to the problem of the disposal of high level radioactive waste. That has not yet occurred.

This is what we have before us now. If this bill passes second reading it will then go to committee, which will have the ability to call witnesses, both experts and representatives of organizations. The nuclear industry will be there. We are not afraid to debate them. We encourage the debate. We encourage the forum so that Canadian taxpayers can know what their tax dollars are being used for.

I challenge the government and the Liberal members opposite because the New Democratic Party is the only party with a nuclear phase–out policy.

• (1920)

As a member of the Commons committee of the environment that participated in an 18 month study of global climate change and made a report in March of this year entitled "Out of Balance: The Risk of Irreversible Climate Change", it has been demonstrated in that report that this nuclear power is uneconomic, immoral and a waste of the taxpayers' dollars. Alternative energy is the way to go.

I encourage the viewers tonight to read the comments of my colleague from Winnipeg Transcona and I challenge the government and the Liberals to pass this bill at second reading so we can call the government to account for the way they spend taxpayers' money.

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I hope we have Point Lepreau II before we are done and that is one of the reasons that I am pleased to speak about this.

I would, first of all, like to say how pleased I am to follow the previous speaker who was my colleague on the environment committee when we did the study on global warming which made reference to the use of nuclear power. I do not have the exact words at the end of that report, but they were words to the effect that nuclear power does have a place and does deserve further examination and did not draw any uneconomic conclusions at all.

Some of the NDP-introduced witnesses would have you believe that, but I am going to quote a witness here in a few minutes that makes the different point.

The proposed Bill C-204, as I understand it, will prevent the Atomic Energy Control Board from issuing any new licences related to almost all aspects of the nuclear industry in Canada for the next 50 years. It will, if passed, have serious effects on Canada's economy, its environment, the general health of its population and its standing in the international community.

The economic impact is expressed in terms of the fact that the nuclear industry in Canada presently provides well in excess of 30,000 jobs for Canadians. Their efforts serve through corporations and utilities to contribute $3.6 billion or more in economic activity to the Canadian economy each year and this contribution will obviously decline dramatically if the resolution contained in Bill C-204 is passed.

In terms of environmental impact, I would like to speak briefly, as I have in the environment committee in the past. Global warming in particular is a phenomenon that I think we all agree is caused by the emissions of carbon dioxide generally resulting from the burning of fossil fuels. The greatest threat in terms of the burning of fossil fuels in the foreseeable half century in the world will come from the development of huge coal resources in places like China and India.

The Canadian nuclear technology has the potential to supplant that coal production with a benign source of energy that will in fact make a very dramatic intrusion on the potential for global warming in the years ahead.

It seems to me that we have got to address the environmental issue, not from the fear of a nuclear accident. That is a fear that we all would have. I would like to elaborate for a few minutes about the fact that those fears perhaps are not as justified as they may seem. The real fear, in my view, in the world is global warming, in environmental terms and in terms of this debate. When it comes right down to confronting the probability of global warming, if we do not get the emissions of carbon dioxide under control, confronting that reality with the perceived risk even of a nuclear accident, I believe that the prospects for nuclear development and the Canadian record for safety and technological excellence far outweigh any of the risks that are involved.

I want to quote, almost verbatim, from an address from Dr. Robin Armstrong, the present president of the University of New Brunswick, previously the Dean of Science at the University of Toronto and one of Canada's top physicists. He says that the discussion of nuclear power reactors often generates more heat than light. The issues that are most often raised concerning nuclear power are three in number, the possibility of a catastrophic accident, the effect of radiation leakage on the population living in the vicinity and the ultimate disposal of the spent fuel.

In the more than 30 years, he says, that nuclear power reactors have been operating in North America, there has not been a single catastrophic accident. The most serious accident was at Three Mile Island. The containment design of the building there prevented any significant release of radiation.

In the case of Chernobyl in Ukraine as one of the hon. members has already mentioned, that accident, that design and the lack of precautions in its design and management were so profound as to not be comparable to the Canadian safety record and not represent really an example at all. The Russian example is really a red herring.

Over the past two decades, a vast quantity of research has been done to evaluate reactor safety. The risk to the public is defined as being very small, not zero but very, very small.

He quantifies these in the form of a risk assessment analysis. For an individual in this Chamber tonight, the probability of developing a fatal cancer as a result of a serious accident at the Lepreau 1 station which the hon. member has mentioned in New Brunswick is 2,000 times less than the probability of developing one as a result of exposure to the radiation from the radio elements naturally present in the environment.

That is what he means as "not significant". Therefore, if you accept the validity of that kind of risk assessment analysis, you can conclude that there really is no risk of a catastrophic accident from western style nuclear power reactor.

With respect to the issue of the disposal of high level wastes from nuclear reactors, these must be considered in relation to the relatively small amounts of waste material created by a nuclear power station. The methods for disposal are well known, and the principles of the technology have been the study of very intensive research.

The waste is placed in sealed corrosion resistant containers very deep within stable rock formations. Studies have shown that radioactive material moves extremely slowly through rock and in fact hundreds, indeed thousands of times slower than the groundwater through the same material.

Therefore, even if the containers were eventually breached, no significant amount of radiation would reach the surface. The fact is that after a time of only 500 years, the health hazard posed by the fission products created for one kilogram of the uranium waste is the same as the health hazard of radioactivity of the same amount of uranium occurring naturally in the earth's crust. The conclusion is that the waste disposal problem has been solved.

In the few minutes remaining, I want to draw another analogy and that is a policy analogy related to Sweden. It is interesting to observe that in 1980, a referendum in Sweden determined that a policy for the phasing out of nuclear power by the year 2010 should be declared, endorsed and implemented.

It was decided that starting in 1995, the first of the operating nuclear power plants should be taken out of service and decommissioned. It was only when they tried to establish what alternatives should be used to replace the 41 per cent of the country's electricity generation being produced by nuclear plants that the difficulties really became apparent to the decision makers.

The problem replacing the nuclear capacity was compounded by two other decisions taken by the Swedish government. One was not to increase the carbon dioxide produced by fossil fuels and the other was not to use any of Sweden's untapped rivers to produce hydropower.

Sweden also, of course, wanted to remain competitive in terms of its export industries to the world. Today, the government has abandoned that plan to phase out the first nuclear plant in 1995, and the industrial unions are reputed to have played a strong role in that decision.

It just goes to show that the resolution such as has been introduced here in Bill C–204 and the resolutions such as have been proposed by my colleagues in the NDP are not sustainable. The facts are that nuclear power does have a place. I hope eventually that it has a place in New Brunswick.

I must say that as a New Brunswicker, I am very distressed to see that our government has delayed its commitment to the AECL proposal. It looks as though the nuclear plant, the Candu III reactor that represented such a regional opportunity for the modular manufacturing of nuclear equipment for years and years to come may very well have gone to Saskatchewan, and I would be very interested in the position taken by the Saskatchewan NDP with respect to nuclear power now that it is in the midst of a major election campaign which the polls indicate it is intended to win.

• (1930)

I would not want to wish the people of Saskatchewan any bad luck. It would be enough bad luck if they got an NDP government, but it would be intensified bad luck if that NDP government made the decision to ultimately

discontinue the initiative the present Government of Saskatchewan has introduced.

Perhaps in the fullness of time the province of New Brunswick will yet be the beneficiary of NDP policy.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I will now recognize the hon. member for Algoma and, the next time it is the Liberals' turn, the hon. member for Davenport.

The hon. member for Algoma.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I appreciate the opportunity to say a few words on Bill C-204. It is a private member's bill introduced by the hon. member for Winnipeg Transcona in which he proposes to phase out nuclear energy in this country.

The hon. member of course does not live in the province of Ontario, which is something like 50 per cent to 60 per cent dependent on nuclear energy for our primary source of base power generation. It is interesting that parties talk about phasing out nuclear energy when they are in opposition. Certainly Mr. Peterson in Ontario talked vaguely about that when he was in the opposition; he was not going to complete the Darlington generating station. When he came to power and looked at today's realities, not only the economic realities but the environmental realities, suddenly he decided that he would complete the Darlington electrical generating stations.

It is interesting, after hearing from the NDP member from British Columbia, that Mr. Rae, the current premier of Ontario, had the same policy when he was in opposition. Now that he is premier of the province he is spending $2 billion or $3 billion to complete the two final phases of the Darlington electrical generating station, which involves some 900 megawatts for each one of those four stations. It is interesting that he is completing those stations.

The question is whether you have responsibility or not. This bill does not examine the responsible management of our resources, the realities facing the Ontario government or the ability of the Ontario hydroelectrical generating agency to provide electrical energy for the province of Ontario. It has placed before the people of Ontario a plan for the next 25 years which proposes a number of alternatives.

The number one alternative is conservation. I do not think there is anybody in this House, in Canada, or any political party who believes that conservation is the best means of saving electrical energy, whether it is the retrofitting of our industry, a new design of light bulbs or whatever techniques are used.

That is the number one alternative put forward in the Ontario Hydro plan. It goes on to say that we must determine how much acid rain we want to create by using coal fired generating stations as our base station, how much we want to contribute to the greenhouse effect. It continues to say that if we reach a limit in that direction then the balance must be nuclear.

There are alternatives, such as small hydro sites, but hydro sites have an environmental cost as well. There is a whole generation generally classed in with conservation. For the Government of Canada to say "okay, Ontario, you may be 60 per cent dependent on nuclear energy, but we are stopping the licensing of any nuclear generating stations", surely that would be presumptuous and certainly not in keeping with a responsible way to develop the resource.

The argument is put forward by those who sponsored this bill that maybe we do not really want to do away with nuclear energy or phase it out; maybe we just want to have a public debate. I believe that the Standing Committee on Energy, Mines and Resources of the House of Commons did a major study back in 1987 and 1988. Its report was entitled *Nuclear Energy: Unmasking the Mystery*. It heard from dozens and dozens of witnesses.

The people from the NDP who sponsor this resolution tonight should read this report. It is a broad based report. It is not a fire and brimstone report. It talks about the advantages and disadvantages on all sides, but generally it comes down supporting the use of nuclear power as a source of electrical energy, as some of the most successful economies in the world are using. I speak especially of Japan and West Germany. Their main source of base power supply is nuclear energy.

We do not only have this document, which was a broad based study by a committee of this House. It is not as if the House of Commons is going to sit in Committee of

the Whole if this bill were to be passed. It will be returned to a committee, probably this committee. Someone can ask if parliamentary committees really do have the capacity to pay interveners and all that and how much time do members have to do a really thorough study?

That argument can be made. A study is taking place in the province of Ontario by a royal commission, a commission under the Environmental Assessment Act, dealing with both the needs and demand. It is an environmental study. It is not talking about abstracts. It is talking about the province of Ontario, which during the next 25 years has to replace 25 per cent of its electrical generating capacity. There are literally hundreds of interveners. There are some from my constituency and some from other areas on both sides of the issue of nuclear energy. It is sponsored by the Ontario government to put its best arguments forward on how we provide electrical energy for the province of Ontario.

Shall it be coal? Shall it be nuclear energy? Will it be small hydro sites? Will it be natural gas turbine fired engines? I mean all those things will be sorted out.

It will take about two years to do the demand study. How much of this demand over the next 25 years is real? How much of it can be done by conservation? How much can be done by co-generation? How much can be done in every way?

It goes on from there to how it can be done in an environmentally proper way. I do not think any study that could be done by this House of Commons will ever be as thorough as that study. It is going to take the next four years, but it is not dealing with the abstract. It is dealing with the power needs of the heartland of this nation, of the heartland of Ontario which is dependent on nuclear energy. If there is a better way to do it, I am sure that that royal commission will come up with it.

For this House of Commons to adopt this bill when we have a massive study, unprecedented in the history of this country, taking place in Ontario, would be pre-emptive. I would not say it would be irresponsible, but I think it would be only supernumerary to the very kind of study which is going to be done by that group which has a responsibility not just to look at the matter in abstract but to keep the power supply and the lights on and the industry in the province of Ontario operating.

• (1940)

I think that to pass this resolution and pre-empt something that is being done on a much larger scale and in a much more thorough way would not be in the best interests of the House or the country.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed C-29, an Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto, without amendment.

* * *

[*English*]

ROYAL ASSENT

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

October 2, 1991

Sir,

I have the honour to inform you that the Honourable Frank Iaccabucci, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 2nd day of October, 1991, at 7.50 p.m. for the purpose of giving the Royal Assent to a bill.

Yours sincerely,
Judith A. LaRocque
Secretary to the Governor General

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

• (1950)

[*Translation*]

And being returned:

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-29, an Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto—Chap. 29.

Bill S-4, an Act to amend the Act of incorporation of the University of Emmanuel College.

[*English*]

Mr. MacDougall: Mr. Speaker, I wonder if we could get consent from the House to extend private members' hour for the time that is left.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Hon. members have heard the motion of the hon. member for Timiskaming that the House continue sitting until 8.12 p.m. to make up for the time taken up by the royal assent.

[*English*]

Does the House give unanimous consent to the motion that the House extend the hour until 8.12 p.m.?

Mr. Blaikie: Point of order, Mr. Speaker. I would have been glad to have been able to agree to this before if someone had suggested it, but the fact of the matter is that there were people intending to speak who, because they had no idea that this was going to come, have now left. I think it would be unfair to them to extend the hour.

As I understand it, if there is no unanimous agreement the House will adjourn at 8 p.m. and the time that was taken up by going to the Senate for Royal assent will be carried over and added to the third hour. It may actually require a portion of a fourth hour in order to deal with the time that we lost here tonight.

[*Translation*]

The Acting Speaker (Mr. DeBlois): There is no unanimous consent. The debate will therefore be resumed until 8 p.m. The hon. member for Calgary Southwest.

* * *

[*English*]

ATOMIC ENERGY CONTROL ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Blaikie that Bill C-204, an act to amend the Atomic Energy Control Act (ending development and exportation of prescribed items and substances) be read the second time and referred to Legislative Committee D.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to underline my total support and commitment to Canada's nuclear program.

The benefits are substantial and indeed are needed for security and diversity of energy supply. They are also needed in environmental protection and industrial development. Nuclear energy will clearly have an important role in Canada and will into the future.

Maintaining the nuclear power option is vital to our interests and vital for the society in general. What is interesting is to take a look at the western sedimentary basin which produces most of our light and medium gravity crude. Those reserves, as we are well aware, are depleting right now. We also know that oil is priced between $20 and $22 a barrel U.S. and at that price it is not economical to develop frontier and synthetic crude.

As we see our oil reserves being depleted we know that the energy supply for future development for electrical generation is very much in doubt and nuclear can play a main role.

I must add with regard to the environment that the impact of burning larger amounts of fossil fuels and the emissions that will be spewn into the air are an extreme public hazard. It also is a huge economic cost to add scrubbers to some of the large stacks that we have.

The implications are that carbon dioxide accumulation within the earth's atmosphere is extremely damaging and has the potential to change the climate.

Another thing that we all have to consider is that Canada is an industrial based country and the nuclear industry has over 30,000 people employed as a direct consequence of this industry. It is most important that—and I realize that most of these jobs are in the province of Ontario—this country maintain its industrial base and maintain the variety of sources that we have to generate electricity in this country. The Atomic Energy Control Board is the federal regulatory agency and it oversees all application development throughout this country with regard to nuclear energy.

Atomic Energy Canada Limited is the Crown owned corporation that promotes the use of nuclear energy and it is known around the world for its superb Candu reactors. They are considered the safest reactors in the world, mainly because of the containment system. It is unfair and it is misleading to compare our Candu reactor with the reactor that was in place at Chernobyl. That was a graphite based reactor and it was a man-made disaster. It is unfair and misleading to scare the people of Canada in that regard.

We know perfectly well that Canada has nuclear reactors generating electricity in Ontario and 53 per cent of Ontario's electricity is derived from nuclear energy. We also have reactors in Quebec as well as New Brunswick.

It is very, very important to look around the world. I was very fortunate to chair the Standing Committee on Energy, Mines and Resources in 1988 when we did an extremely intensive study on nuclear energy. Indeed we not only studied it in Canada and the United States but we studied it in Sweden, France and West Germany. There is no doubt about it, nuclear energy is the energy of the future and we must maintain and support Atomic Energy Canada Limited.

We cannot use tunnel vision. There is absolutely no way. We have to examine all the issues at stake. Yes, we will study it very carefully. But nuclear energy for the generation of electricity is absolutely necessary and it will go forth in Canada.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being eight o'clock, this House stands adjourned until tomorrow at 10 a.m, pursuant to Standing Order 24(1).

The House adjourned at 8 p.m.

HOUSE OF COMMONS

Thursday, October 3, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

OFFICIAL LANGUAGES

GOVERNMENT'S RESPONSE TO THIRD REPORT OF JOINT STANDING COMMITTEE

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, pursuant to Standing Order 109, I have the honour to table, in both official languages, the government's response to the third report of the Joint Standing Committee on Official Languages.

* * *

• (1010)

[*English*]

JUSTICE AND THE SOLICITOR GENERAL

GOVERNMENT RESPONSE

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, I have to honour to lay upon the table, in both official languages, the comprehensive government response to the first report of the Standing Committee on Justice and the Solicitor General which dealt with the Parole Act and the Penitentiary Act.

* * *

[*Translation*]

SPECIAL JOINT COMMITTEE FOR A RENEWED CANADA

PRESENTATION OF DOCUMENT ENTITLED *THE EUROPEAN COMMUNITY—A POLITICAL MODEL FOR CANADA*

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Madam Speaker, on behalf of the Minister responsible for Constitutional Affairs and pursuant to Standing Order 32(2), I have the pleasure to present, in both official languages, the report entitled *The European Community—A Political Model for Canada—La Communauté européenne—Un modèle politique pour le Canada.*

I would ask that this document be referred to the Special Joint Committee of the Senate and the House of Commons on a renewed Canada which is examining proposals for the renewal of Canada in order to make recommendations to Parliament.

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

* * *

[*English*]

BILL C-10

REPORT OF LEGISLATIVE COMMITTEE F

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Madam Speaker, I have the honour to present, in both official languages, the report of Legislative Committee F on Bill C-10, an act to amend the Excise Tax Act and the Excise Act, without amendment.

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

[*Translation*]

Mr. Hudon: I rise on a point of order, Madam Speaker.

Madam Deputy Speaker: The hon. parliamentary secretary on a point of order.

Mr. Hudon: Madam Speaker, did you call "government's response to petitions", because I had some responses to table.

Madam Deputy Speaker: That is usually done under "tabling of documents". Does the House agree to revert to "tabling of documents" in order to allow the hon. parliamentary secretary to table responses to petitions?

Some hon. members: Agreed.

Routine Proceedings

PETITIONS

GOVERNMENT RESPONSE

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Thank you, Madam Speaker. Pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 12 petitions.

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

* * *

DEPARTMENT OF FORESTRY ACT

MEASURE TO AMEND

Mr. Guy H. Arseneault (Restigouche—Chaleur) moved for leave to introduce Bill C-306, an Act to amend the Department of Forestry Act and to make related amendments to other acts.

Madam Deputy Speaker: Shall the hon. member have leave to introduce the bill?

Some hon. members: Agreed.

Mr. Arseneault: Madam Speaker, I have the honour to introduce this bill whose purpose is to change the name of the department in the English version of the Act by replacing "Department of Forestry" with "Department of Forests".

[*English*]

As you may know, Madam Speaker, besides the name *Department of Forestry* being an inaccurate translation of the French, *Ministére des Forêts* is misleading in fact. It may be taken to mean ministry of exploitation of our forests.

[*Translation*]

The proposed amendment will correct this deficiency while, at the same time, making the French and English designations of the department match.

Madam Deputy Speaker: Mr. Arseneault moves that the bill be now read the first time and printed.

Some hon. members: Agreed.

Pursuant to S.O.69(1), the notion is deemed adopted. Bill be read the first time and printed.

AN ACT TO DESIGNATE THE TORONTO-LESTER B. PEARSON INTERNATIONAL AIRPORT

MEASURE TO ENACT

Mr. Guy H. Arseneault (Restigouche—Chaleur) moved for leave to introduce Bill C-307, an act to designate the Toronto-Lester B. Pearson International Airport.

Madam Deputy Speaker: Pursuant to S.O.68(2) the motion is deemed adopted.

Some hon. members: Agreed.

Mr. Arseneault: Madam Speaker, I have the honour to table this bill designed to officialize the name of the Toronto-Lester B. Pearson International Airport.

[*English*]

The airport has been known for a long time as Lester B. Pearson International Airport. However, this name had never been given legal sanction.

[*Translation*]

The proposed amendment will have the effect of replacing the name "Toronto International Airport" with "Toronto-Lester B. Pearson International Airport".

Madam Deputy Speaker: Mr. Arseneault moves that the bill be now read the first time and printed.

Some hon. members: Agreed.

Pursuant to S.O.68(2) the motion is deemed adopted. Bill read te first time and printed.

* * *

PETITIONS

BUDGET CUTS IN EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, in accordance with the Standing Orders of the House, I have the honour to table a petition today on behalf of students from the province of Quebec, *la belle province*. They condemn the budget cuts affecting education, deplore the administrative tax on student loans and point out that in many cases, this tax applies to people who have to repay their loans in any case.

They also mentioned in their petition that this might be illegal, and they wonder how the government can talk about being competitive and at the same time slash education budgets. The petition also mentions the GST and other tax increases students must cope with.

[*English*]

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Madam Speaker, I have a petition from a number of Canadians. These particular ones are from southern Ontario.

They note that grain and oilseed producers in Canada are experiencing the most severe shortage of cash flow in their history and that the new safety net programs do not bridge the gap between the old *ad hoc* programs in the crop year just completed last August.

They humbly call upon the Parliament of Canada to provide cash assistance as proposed by the House of Commons Standing Committee on Agriculture on August 29, which would have brought assistance up to the levels provided by the Gross Revenue Insurance Program and the Net Income Stabilization Account program.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Madam Speaker, the following questions will be answered today: Nos. 17, 45, 46, 47, 48, 58, 59, 60, 69, 70, 81, 82, 84, 85 and 101.

[*Text*]

Question No. 17—**Mr. Milliken:**

To date, with respect to the constituency of Lac St.-Jean, Que., did the government propose expenditures of (a) $117,000 for a 3 year program for blueberry farms (b) $120,000,000 for regional development (c) $40,000,000 for new roads (d) $1,500,000 to upgrade a non-profit job creation centre (e) $40,000 for a study investigating the need to expand the Alma Airport (f) $56,000 for a feasibility study to examine ways to improve the Petite-Décharge River for tourism (g) $440,000 for wharf repair on the Saguenay, and, if so, for each project (i) has any money been spent and, if so, how much (ii) how much more money is projected to be spent (iii) have any projects been cancelled and, if so, which ones (iv) was any money spent before the project was cancelled and, if so, how much?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I am informed by the Departments of Agriculture, Public Works, Transport and the Federal Office of Regional Development—Quebec (FORDQ) as follows:

Insofar as the Department of Agriculture is concerned:

(a) Yes, a federal/provincial contribution of $117,000 under the Canada/Quebec Subsidiary Agreement on Agri-Food Development, of which the federal share was $58,000

(i) $52,650

(ii) $5,350

(iii) No

(iv) No

(b) Yes, a federal contribution of $571,690 under the Canada/Quebec Subsidiary Agreement on the Economic Development of the Regions of Quebec and the Canada/Quebec Subsidiary Agreement on Agri-Food Development

(i) $167,427

(ii) $404,263

(iii) No

(iv) No

Insofar as the Federal Office of Regional Development-Quebec (FORDQ) is concerned:

(b) In june 1988, when the Canada-Quebec Subsidiary Agreement on the Economic Development of the Regions of Quebec was signed, the two governments set aside a regional development budget envelope of $120 million for the North-Centre region of Quebec, not just the riding of Lac Saint-Jean. In addition to Lac Saint-Jean, the region comprises the ridings of Roberval, Jonquière and Chicoutimi, as well as a portion of the riding of Charlevoix. Funds in the $120 million envelope are provided on a 50-50 basis by the federal and Quebec governments.

As of May 1, 1991, the federal government had approved various programs totalling $55 million in the North-Centre region of Quebec, while the Quebec government had approved only $22.6 million in programs.

Federal commitments in the riding of Lac-Saint-Jean, to May 1, 1991, were as follows:

Enterprise Development Program (EDP):

—Industrial Component $1,852,663

—Tourism component $430,985

A portion of these commitments has already been paid to applicants under these program components, and the balance will be paid over the next few years.

More funds will be committed and expended in the riding of Lac-Saint-Jean under these program components, but it is impossible to predict the exact total because these program components are intended to meet the requirements of the entire North-Centre region and this is reflected in their budgets, which are not broken down by riding.

(c), (d) Nil

(f) Under the Canada-Quebec Subsidiary Agreement on the Economic Development of the Regions of Quebec, the Federal Office of Regional Development (Quebec) has joined with the government of Quebec to fund the execution, by a qualified firm, of the study of the feasibility of cleaning up of pollution in the Petite Décharge River.

The objectives of the study are to assess the impact of log rafting on river water quality and to develop a pollution abatement and clean-up program with a view to preparing an overall development plan, including tourism development, for the Petite Décharge River.

i) No payments have yet been made for this project.

ii) A total amount of $47,440 instead of $56,000 should be disbursed for this project.

iii) This project has not been cancelled.

iv) Not applicable.

Insofar as Transport Canada is concerned:

(e) (i to iv)

The first study, entitled "*Proposition d'agrandissement de l'aérogare d'Alma*" was undertaken by Anicet Tremblay, Architect, Alma, Québec in June 1988, at a cost of $15,000.

On March 1, 1990, the Town presented the final report to Transport Canada Regional Officials. The study recommends the expansion of the air terminal building at a total estimated cost of $287,762.

When the study was received, Transport Canada Regional Officials supported the expansion project, in view of the presence of two air carriers (Air Alma and Intair); however, it was suggested that the project costs be re-examined. In October 1990, Intair ceased operations at Alma Airport; justification for the expansion of the air terminal building was no longer valid. It is also essential that the Town negotiates the least clause giving Air Alma exclusive rights to utilization of the air terminal building.

Should the Town wish to proceed with the air terminal building expansion project, they will have to take these facts into account and re-examine the cost estimates and the findings of the feasibility study.

The second study entitled "*Évaluation technico-économique du projet d'allongement de la piste de l'aéroport d'Alma*".

The objective of the study was to evaluate a proposal to lengthen the runway at Alma from 4,300 feet (1,310m) to 5,900 feet (1,800m). The study was completed in February 1989 by STRATEM INC. of Montreal at a cost of $19,500.

The study concluded that from an economic and technical viewpoint, lengthening the runway would be premature and the existing runway at the Alma Airport met both the existing and forecasted traffic.

Transport Canada completed a project to rehabilitate the existing runway (4,300 feet in length and 100 feet in width) at Alma Airport in October 1989 at a cost of $1,232,200.

Insofar as the Department of Public Works is concerned:

(g) The Department undertook a wharf repair project in the 1988/89 fiscal year in the electoral district of Lac-Saint-Jean, at Ste-Rose-du-Nord. The estimated cost of the repairs was $440,000. The final cost of the repairs was $470,910.

Question No. 45—**Mr. Fisher:**

How many cases emanating from the Public Service are before the Canadian Human Rights Commission or Tribunal?

Mr. Robert D. Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): There are presently 1,547 open cases before the CHRC or Tribunal emanating from the Public Service.

Question No. 46—**Mr. Fisher:**

How many cases have fallen under each of the ten grounds of discrimination under Sections 5 to 14 of the Canadian Human Rights Act?

Mr. Robert D. Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): The Commission has accepted since 1986, 4,862 cases (according to the CHRC Data Base and including 815 cases that were accepted prior to 1986 that were still active).

Sex	1133
Age	615
Race	480
Colour	93
National or Ethinic origin	378
Disability (mental or physical)	1496
Marital status	343
Family status	216
Religion	96
Pardoned conviction	11
Other	1
Total	**4862**

Question No. 47—**Mr. Fisher**

What is the record of convictions under Section 59 (formerly Section 45) of the Canadian Human Rights Act?

Mr. Robert D. Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Of the 2 cases in which prosecutions were undertaken pursuant to section 59, one resulted in conviction (*R. v. Villemaire and Applegate*, April 29, 1988, Ontario Provincial Court).

Question No. 48—**Mr. Fisher:**

How many cases under Section 59 (as amended) of the Canadian Human Rights Act have been referred to the Solicitor General?

M. Robert D. Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): 121 cases under section 59 (as amended) of the Canadian Human Rights Act have been referred to the Solicitor General.

Question No. 58—**Mr. Caccia:**

1. Does the Sustainable Development Research Division still exist under the Department of Environment and, if so, (a) under which services (b) for the (i) fiscal year 1991–92 (ii) each fiscal year since its creation, what are the dollar and person–years resources?

2. If the Division no longer exists (a) why was it disbanded (b) what happened to the professionals within the Division?

Hon. Pauline A. Browes (Minister of State (Environment)): 1 & 2. In December 1990, the federal government released its Green Plan. The Green Plan is an operational framework for the government's commitment to sustainable development.

During that same period, Environment Canada announced the appointment of an Assistant Deputy Minister—State for the Environment Reporting. This appointment underscores the importance the federal government places on environmental information. Concurrent with this announcement was the realignment of sustainable development policy functions from the former State of the Environment/Sustainable Development Branch (SOE/SD) to the department's Corporate Policy Group. This realignment is intended to ensure that all of DOE's activities are coordinated within an overall policy framework which embraces the notion of sustainable development.

The SOE/SD Division professional staff remain with the State of the Environment Reporting Service.

SOCIÉTÉ RADIO–NORD

Question No. 59—**Mr. Saint–Julien:**

For each of the last ten fiscal years, has Radio–Canada entered into agreements with the Société Radio–Nord Inc. du Québec respecting the use of its antenna and retransmission and technical services and, if so, how much is Radio–Canada paying for these services (a) for each year (b) for each location?

Hon. Henry Perrin Beatty (Minister of Communications): On occasion, it can be in the Canadian Broadcasting Corporation's interest to share facilities belonging to a private company rather than establishing its own facilities. When this is the case, the Corporation negotiates agreements to this end. This is in fact common practice in the broadcasting industry. Broadcasters often enter into agreements to use existing facilities, even those of competitors. In this respect, CBC has the following agreements with Radio–Nord Inc.

In Abitibi, where Radio–Nord has transmission equipment, CBC French radio and television services are available as a result of affiliation agreements with Radio–Nord Inc.

In 1985, the Corporation concluded an agreement with Radio-Nord Inc. to use that company's transmission facilities in Rouyn to establish CBC English radio and television network services in Abitibi.

Also in 1985, in order to improve the quality of French television service in the Temiscaming region, the Corporation reached an agreement with Radio-Nord Inc. to improve its Fabre-Béarn transmitter. This transmitter feeds the CBC transmitter in Temiscaming.

In 1990, an agreement was concluded concerning the sharing of existing equipment in order to implement new FM radio services in Rouyn and Val d'Or. This agreement replaced a previous one dating from 1976.

With respect to the costs incurred (a) and (b), Parliament has not, as a matter of custom since the Corporation's creation in 1936, required CBC to supply, in answering Parliamentary questions, such details about its internal management and administration. Parliament has had two reasons for following this customs: first, the independence of the CBC as a Crown Corporation, established for the purpose of producing and broadcasting, independently of political or commercial interference, programs for a national program service; and, secondly, the competitive nature of many of CBC's activities. The appropriateness of the CBC providing certain categories of information has been considered on many occasions by various Parliamentary Committees and the CBC has suggested that such information should not be made a matter of public record, its views have been accepted. Names of staff members and their functions in relation to specific programs and the costs related to such assignments, as requested in Question No. 2295 answered May 20, 1975, are examples of details which it has not been customary to require the CBC to supply. It is open to Parliament to discuss the policies it and when the CBC have followed in this regard and it would be appropriate to review them when the CBC's estimates are before the House of Commons Committee on Communications and Culture.

The government makes available all information requested by members except where publication would be inconsistent with the mandate given to the Corporation by Parliament. This principle is well established and accepted with respect to information about government agencies and Crown Corporations which are in competition with the private sector.

BUFFET RECEPTION AT THE CANADIAN EMBASSY IN TOKYO ENTITLED "THE ART OF CANADA"

Question No. 60—**Mr. Riis:**

In May 1991 did the government host a buffet reception at the Canadian Embassy in Tokyo titled "The Art of Canada" and, if so, (a) how many attended the reception (b) what food items were served and at what cost (c) what alcoholic beverages were served and at what cost?

Hon. Barbara Jean McDougall (Secretary of State for External Affairs): Yes, the Government hosted a buffet reception on May 27, 1991 at the Canadian Embassy in Tokyo titled "The Art of Canada".

a) 600 guests attended the reception.

b) In addition to the hors d'oeuvre served at the beginning of the function, a buffet dinner consisting of beef, pork, fish, seafood, mushrooms, cheese, fruits and dessert was served. Most of the products were of Canadian origin but purchased on the local market.

c) All the alcoholic beverages (wine, rye, whiskey and beer) served to the guests were provided for free from the Canadian companies. With regard to the cost, the caterer's bill for food and beverages totalled $61,989.77.

Question No. 69—**Mr. MacWilliam:**

How many complaints of sexual harassment have been lodged pursuant to the Canadian Human Rights Act by public service employees?

Mr. Robert D. Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): From 1986 to 1990, there were 63 sexual harassment complaints filed with the CHRC against federal departments and agencies. It is likely that the overwhelming majority of these complaints were filed by public servants. However, exact figures cannot be provided since case information is not coded according to whether the complainant is a public service employee.

Pre 1986, sexual harassment case information is not available as the Commission information data base cannot provide this specific information for that period.

Question No. 70—**Mr. MacWilliam:**

How many cases of employer harassment, within the CRTC, emanating from charges laid under the Canadian Human Rights Act are before the Canadian Human Rights Commission or Tribunal?

Mr. Robert D. Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): There are presently 3 cases of employer harassment filed against the CRTC before the Commission, of which 1 concerns sexual harassment and 2 are concerned with employer harassment on the ground of disability.

Question No. 81—**Mr. MacAulay:**

With respect to the Atlantic Fisheries Adjustment Package (AFAP) announced on May 7, 1991, has any of the $584 million been allocated to deal with problems in Prince Edward Island and, if so, (a) how much in total (b) how much has been spent (c) what projects or initiatives have received funding?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I am informed by the Department of Fisheries and Oceans and the Atlantic Canada Opportunities Agency as follows:

Insofar as the Department of Fisheries and Oceans is concerned:

(a) Funding for the Atlantic Fisheries Adjustment Program (AFAP) is not allocated on a province by province basis. However, every effort is made to fund proposals in all provinces based on priorities for AFAP. Allocations were made to Canso, North Sydney, Lockeport, Grand Bank, Gaultois, St. John's and Trepassey because these locations were affected by processing plant shutdowns. AFAP has $140 million over five years for economic diversification both inside and outside fisheries and residents of PEI can submit proposals for funding along with the other Atlantic provinces plus Quebec.

(b) Approximately $114,000.00 were spent directly on fisheries diversification projects in PEI in 1990–91 mainly on aquaculture research.

(c) Nutrition study on Arctic char; dockside monitoring; and a shellfish parasite study. There are over four million ($4 M) dollars in proposals for PEI now under consideration by ACOA and DFO.

Insofar as the Atlantic Canada Opportunities Agency is concerned:

Within the Atlantic Fisheries Adjustment Program (AFAP), ACOA is responsible for the Fisheries Alternatives Program (FAP). FAP is a Program directed at economic diversification outside the fishery sector. In relation to FAP, ACOA does not allocate funds provincially; however, the majority of funding will be directed towards Newfoundland which has been affected the most by fish plant closures.

In Prince Edward Island, ACOA has approved one project involving the Greater Summerside Chamber of Commerce. The $30,000 grant is being used to study the potential business opportunities as a result of the establishment of the Revenue Canada—GST Processing Centre on Prince Edward Island.

Question No. 82—**Mr. MacAulay:**

In Prince Edward Island, with respect to the Plant Workers Adjustment Program under the Atlantic Fisheries Adjustment Package (AFAP), (a) how many people will benefit from this program (b) what will be their benefit level (c) what are the names and addresses of the persons who have received money from this program?

Hon. John Carnell Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): In Prince Edward Island, with respect to the Plant Workers Adjustment Program (PWAP) under the Atlantic Fisheries Adjustment Package (AFAP), (a) preliminary estimates indicate that 25 people could potentially benefit from this program (b) benefit levels would be set at 70 percent of their UI benefits with a minimum of $500 and a maximum of $1,238 per month (c) no individuals have reveived money from this program to date. Final agreement on program funding and delivery, between federal and provincial governments, is required before implementation can proceed.

Question No. 84—**Mr. Butland:**

What is the rate of conviction for cases emanating from section 59 of the Canadian Human Rights Act being referred to the Solicitor General?

Mr. Robert D. Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): For 121 cases referred to the Solicitor General, there were 2 prosecutions undertaken pursuant to section 59, one resulted in a conviction.

Question No. 85—**Mr. Butland:**

How many investigations under section 59 of the Canadian Human Rights Act have occurred?

Mr. Robert D. Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): 121 investigations.

STATISTICS ON PERMANENT RESIDENTS ADMITTED UNDER THE SRI LANKA SPECIAL MEASURES

Question No. 101—**Mr. Axworty (Saskatoon–Clark's Crossing):**

Since 1985, with respect to emigration from Sri Lanka (a) how many persons have been admitted under the program which allows persons with qualified relatives and others adversely affected by the situation in Sri Lanka to enter Canada (b) how many persons have been accepted under the current overseas procedures?

Hon. Bernard Valcourt (Minister of Employment and Immigration): The following table outlines the number of permanent residents admitted under the Sri Lanka special measures program, by year and processing area.

	Processed in Canada	Processed Abroad	Total
1985	134	352	486
1986	48	226	274
1987	48	265	313
1988	7	403	410
1989	14	318	332
1990	26	141	167
May 1991	13	28	41
TOTAL	290	1,733	2,023

* * *

[*Translation*]

ORDERS FOR RETURN

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Madam Speaker, if question No. 12 could be made an order for return, that return would be tabled immediately.

Madam Deputy Speaker: Is it the pleasure of the House that question No. 12 be deemed to have been made an order for return?

Some hon. members: Agreed.

[*Text*]

Question No. 12—**Mr. Caccia:**

Have any Cabinet policies been subjected to environmental impact assessments and, if so (a) who conducted each assessment (b) have any public statements been released and, if so, how and when were they released?

Return tabled.

[*Translation*]

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

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex) moved:

That, in the opinion of this House, the Canadian dairy and poultry industries operate under marketing systems that assure Canadians adequate supplies of safe and nutritious food at fair prices while providing efficient producers with fair incomes and, therefore, the government must immediately provide Canadian producers, operating within these supply management sectors, firm assurances that it is seeking and will continue to seek the strengthening and clarification of Article XI of the General Agreement on Tariffs and Trade (GATT) in the ongoing multilateral trade negotiations and that it will not be party to any agreement that fails to achieve these objectives.

He said: Madam Speaker, at the outset of my remarks, I would like to point out that we in the Official Opposition will be sharing our time slots today with the exception of my own introductory remarks which will lay out the basis of this debate. My colleagues will be sharing their time slots and each will be speaking for 10 minutes.

I would also like to ask your assistance, Madam Speaker, in view of the crisis that has developed in the agricultural industry, in finding a way for us to table some petitions put together in good faith by over 5,000 members of various farm organizations at a meeting in Lucknow, Ontario, that are unfortunately in the wrong form. These petitions outline the seriousness of the economic situation in agriculture and were put together in good faith. They do not meet the requirements here. I just received them this morning. I was wondering if there was any way they could be tabled along with the remarks that I am about to make here today.

• (1020)

It is a critical situation out there, Madam Speaker. In my own riding, there have been four suicides within the last month. These people need to be heard, they want the government to realize their problems and to take action accordingly.

I cannot help but think at the onset of this debate that there are strange priorities in this country at the present time. They are strange priorities when it costs $150 a tonne to dispose of Toronto's garbage, yet we only pay the farmers $115 a tonne to produce the food that we eat. I am speaking here of wheat.

This government, as evidenced by its vote on Monday, September 23, does not agree there is a financial crisis in the grain sector in this country. If supply management is destroyed by the government negotiators at GATT, similar devastating prices will occur in the dairy and poultry sectors.

In contrast to the grain sector, the poultry and dairy industries are healthy industries. It would be sheer economic nonsense and madness to see those industries destroyed by the government failing to maintain and strengthen Article XI of the GATT. Let us be clear from the onset, the process of tariffication will utterly destroy these industries. A system of tariffication is not acceptable to the producers of Canada.

For the last 60 years, beginning prior to the Great Depression of the 1930s, there have been actions by various levels of government to bring a level of stability to Canadian agriculture as the Conservative government itself brought in the Canadian Wheat Board legislation in 1935.

In 1949 the Agricultural Products Marketing Act was implemented, and in 1972 the Liberal government of the day proclaimed the National Farm Products Marketing Agencies Act. Of course the Canadian Dairy Commission was proclaimed during that same timeframe.

The National Farm Products Marketing Agencies Act allows for the establishment of marketing agencies with the power to set prices based on the cost of production, to plan production to meet market needs and other measures that would lead to a more efficient industry.

These systems, as they matured, became the most sophisticated of any in the world. In the case of poultry and dairy, the producers achieved a level of stability which allowed them a small profit and a return on labour and investment.

Some critics would lead us to believe that marketing boards lead to inefficiencies. When we examine the records of the dairy industries, we find that the productivity per cow in Canada increased by 73.5 per cent since 1971, compared to only 46 per cent in the U.S. and 3.5 per cent in western Europe.

Better feed conversion, better disease control and more eggs per bird have occurred in the poultry industry during the last 15 years under this marketing agency. This is in sharp contrast to the chicken operations in the U.S. where often low levels of antibiotics are fed to combat diseases. Indeed, the chief of the United States Department of Food Safety, Mr. Crawford, recently stated that "the American people are tired of seeing one story after another about dirty chickens" on their markets. Mr. Crawford was commenting on a USDA report that found 35 per cent of the chickens raised in the United States were infected with salmonella bacteria, and other reports according to Reuters News Agency have put the number much higher.

Starting the early 1950s and up to the present time, there has been a growing concentration of control in food after it leaves the processors, a concentration that forced narrower margins for the processors and diminishing returns to the poultry sector.

Since January 1, 1989 to June 1991, 70 food processing plants in Canada were forced out of business, 36 of these were in Ontario.

I recently completed a study which I called "Compare the Share". It shows a huge increase in the price of food over the last 10 years. These increases have occurred after the food has been sold by the farmer and has already left the processor.

In fact, processors are being forced to close their doors not because of high producer prices but because of the untenable situation *vis-à-vis* distribution, wholesale and retail operations. Anybody who wants a copy of this report can have one by simply writing to my office. I should point out that there will be a brochure available at the Royal Winter Fair giving this outline so that the consumers of Canada know who is ripping them off in their food basket purchases. It is certainly not the Canadian farmers, who are among the most efficient in the world.

This graphic comparison of the cost of various food items clearly indicates that during a 10-year period, from 1980 to 1990, farm gate prices increased very little, in fact in some cases they declined, while retail prices have increased dramatically. For example, a box of corn flakes increased by 94.5 per cent from 1980 to 1989; a box of soda biscuits increased by 235 per cent during the same period; and sweet cookies increased by 135 per cent. And get this; a box of whole wheat cereal increased by 194.2 per cent during this period when the price of wheat to the producer was declining.

By contrast, a product under marketing board control, namely eggs, developed much more acceptable price increases to consumers. Egg prices to the producer increased by 14.1 per cent during this period and by 18.3 per cent to the consumer. Likewise, the farm price of eviscerated weight turkeys to the producer increased by 12.8 per cent and the consumer price by 25.8 per cent. Since 1980 the retail price of chicken has increased by $2.20 per kilogram, while the farm price only increased by 28 cents per kilogram. This retail price increase from 1980 to 1990 was 785 per cent higher than the farm price increase over the same period.

Madam Speaker, that is not acceptable. These price comparisons clearly show the cost of production formula used by the poultry sector has provided a steady level of prices to the producer and a correspondingly fair price to the processor.

It is interesting to note that the total farm value of all chickens, turkey, eggs and milk produced in Canada in 1990 was $4.8 billion, 32 per cent less than the total sales of $7.1 billion of one large grocery chain. The price of a litre of milk in Ontario at the farm gate increased by 19 cents since 1980, on the store shelf the price of that litre of milk has increased by 73 cents, or 97 per cent.

I would like to stress this. The Consumers' Association of Canada in the September-October issue of their magazine blames the fact that milk in Canada costs more than in the United States solely on supply management. However, the Consumers' Association of Canada has not provided us with any research, as far as I can see from the article, on the price of these products. Madam Speaker, this is pure hogwash. The Consumers' Association of Canada says that it found milk 30 per cent cheaper in the U.S. than in Canada, yet it makes no comment on the fact that the difference in the price of a litre of milk in 1990 between the farm gate and the store shelf is 91 cents, the store shelf price being 160 per cent higher than the farm gate price.

It should be noted that the increase in the retail price of a litre of milk between 1990 and 1989 outstripped the food marketing cost index by 1.5 per cent. It is also interesting to note that neither the Consumers' Association of Canada nor the government consider the increase in input costs versus that of the United States. Input costs for our Canadian producers are approximately 25 per cent higher than those in the United States starting with interest rates, diesel fuel costs and labour. I will say more about that in a few minutes.

I suggest that the Consumers' Association of Canada could do the consumers a better service by investigating the entire food pricing structure, including distribution and wholesale sectors as well as the retailers, rather than singling out supply management for unwarranted abuse.

Why don't they complain about the cost of soft drinks? A small bottle of soft drink costs more than a glass of milk. I respectfully suggest that $793,000 in funding given to the Canadian Consumers' Association last year would be much better spent if it were used to provide food for our food banks in some of our larger cities.

It amazes me that one food chain in western Canada sent $538,700,000 in dividends back to its parent company in the United States last year. Where was the Canadian Consumers' Association when this took place? We didn't hear a word. Obviously we have a double standard in society today. The same is true of cheese. Since 1980 the farm price of cheese increased by $1.53 per kilogram, while the retail price increased by $5.34 a kilogram to $11.52 a kilogram. In 1980 there was a $3.13 spread in price between the farmer and the processor and by 1988 that spread was $6.94.

• (1030)

The power exercised by these few buying groups requires a countervailing force in the marketplace. Canada's producer marketing systems provide that counterbalance.

When one examines the chaos existing in the U.S. dairy industry at the present time, the concentration of the U.S. poultry industry and red meat industry, and the impact that concentration will have on Canada as the borders are opened, we on this side of the House realize that it will destroy our marketing systems and our industry. Climatic differences alone give the U.S. a tremendous advantage.

Canadian consumers spend 11.5 per cent of their disposable income on food, the second lowest portion of income spent on food of any nation in the world. The producer desperately needs a fair share of that consumer food dollar.

I should also point out that due to this government's free trade agreement with the United States that marketing boards have again found themselves under attack.

The Conservative government at the time stated that it "defended the right to establish" marketing boards "in the past and will continue to do so in the future" that ice cream and yoghurt is "a GATT issue" and "not a free trade issue". This was a statement by the former Minister of Agriculture in this House on September 13, 1989.

However, a former Canadian trade negotiator at the Tokyo round of the GATT, and in the FTA states: "I have reviewed Mr. Mazankowski's statement and concluded that it is simply not true. The facts are the FTA will result in the elimination of marketing boards whose viability depends on sales to food processors; the FTA caused the ice cream and yoghurt problem; and the government had an opportunity in the FTA negotiations to protect marketing boards and did not".

As these food processors close down, where are our Canadian farmers going to sell their products?

This House passed legislation giving the producers of the nation the right to plan their production and set their own prices under government supervision. This resulted in bringing order out of chaos. Now this government is demolishing these institutions in secret negotiations behind closed doors.

The farmers of Canada do not know what the government negotiators are trading away at the GATT. Canadian farmers at the end of the negotiations will be told what kind of deal was made. They have no final say in it. They will not even have the right to reject it. This is not acceptable.

In answering a question in the House on October 15, 1990, regarding the GATT negotiations, the Minister for International Trade stated:

> Mr. Speaker, on October 1 we had to file at Geneva, together with other countries involved in these negotiations, an estimate of the cost of the various programs in effect in Canada to assist agriculture. The total was $8.8 billion. The Minister of Agriculture should be ashamed of the amount of assistance he is giving Canadian farmers. It is a huge amount of assistance.

However, the Minister for International Trade failed to convince the opposition members and the Canadian public of the legitimacy of these false and misleading figures as opposition members, including myself, made statements in the House outlining the true and correct figures.

I stated in this House on October 18, 1990: "That $8.8 billion is a fictitious figure. It is about 53 per cent higher than the actual figure". For example, papers filed in Geneva on October 1 showed that Canadian dairy farmers received $2.2 billion in subsidies, when in fact, as shown by our own estimates in the House on expenditures, Canadian dairy farmers received only a cash subsidy of $261 million last year, and this goes only to industrial milk producers.

The $2.2 billion is a concocted figure, most of it being the difference between what the U.S. farmers receive for milk versus Canadian farmers and then calling it a subsidy. Again this game of smoke and mirrors ignores the fact that Canadian farm inputs are much higher than those in the United States.

I have to ask, did our negotiators consider U.S. school lunches and food stamps as subsidies. Nearly 50 per cent of the USDA's expenditures go indirectly for social assistance, such as these programs I just mentioned. Were these items included in their costs or subsidies? I doubt it.

Where was the Minister of Agriculture when the Minister for International Trade made that statement last year in this House? Did he inform the Minister for International Trade of the facts? Did the Minister of Agriculture point out that $1 billion of that $4.2 billion was drought assistance? No, he did not.

He did not do it in this House. The Minister of Agriculture was strangely silent. A newspaper editorialist and writers unwittingly used these fictitious figures to attach supply management marketing boards.

Did the Minister of Agriculture write to the editors to point out the true level of support for agriculture in Canada? No. Again he was strangely silent.

I, as a member of this House and as a farmer, had to refute these misleading figures in those various newspapers that carry them. These are strange actions for a man who claims to support Article XI and supply management at the GATT.

If the Government of Canada supports marketing boards, why did the Department of Agriculture give the Canadian Consumers Association a $45,000 grant last year to bring in a study that attacks marketing boards, a study that is partly responsible for these concerted attacks in editorials and other media coverage that occurred, the attack to which the Minister of Agriculture failed to offer a single statement of defence of our marketing board system in Canada?

The study is based on the Minister for International Trade's figure of $8.8 billion of October 15, 1991. I respectfully suggest the Minister of Agriculture took money from the Farm Women for the Survival of Agriculture budget to fund this attack of the Canadian Consumers' Association, which is already getting $793,000 from the Department of Consumer and Corporate Affairs.

The Minister of Agriculture said on September 18: "What we have asked for and what the policy of this government is is that article XI should be further clarified and strengthened. This has not been changed and will not change until the government says it will change".

Does that give you a feeling of security? It certainly does not give it to me because he said that it will not change until the government says it will change.

Last week, my colleague from Gatineau—La Lievre was asking the government if it would assure that the cost of production formula, which is essential to the operation of these marketing agencies commissions, would be maintained. In reply, the Prime Minister appeared to identify the question as relating to GATT and assured the Canadian dairy industry—these are his own words: "The Canadian government will try to find new markets for them".

I ask you, Madam Speaker, if the government supports article XI which allows countries to limit imports when they have a system of production designed to meet only domestic needs, why are they now concerned about finding new markets for our dairy farmers? The answer is simple.

I do not believe it intends to support article XI of GATT. Why else would the dairy farmers need the government to find them new markets? Did it in fact agree to trade article XI in exchange for the U.S. giving up article XXII which gives the U.S. the waiver it used for years on dairy products, peanuts and sugar?

These people should wake up to reality, because if you look at the cost-input differences and if it gives up that waiver in exchange for Article XI, that puts us in an untenable situation, a no-win situation. The reality is we only have to look at the difference in input costs between Canada and the United States.

In Canada, the interest rates are 25 per cent higher for operating costs in terms of interest rates and 39 per cent for maintenance accounts in interest rates.

Machinery repairs, plough points, are 123.9 per cent higher in Canada; penicillin for animal use, 201.5 per cent higher in Canada; gasoline, 129.6 per cent higher; diesel fuels, 71.4 per cent higher in Canada and farm wages are 48 per cent higher.

How do you compete against those costs. It is impossible. We are going to see this industry, the only sectors of the Canadian agricultural economy that are on stable footing, demolished if we trade away article XI at GATT.

Last Tuesday, the government tabled its new constitutional package and tabled shortly after a document entitled *Canadian Federalism and the Economic Union*. It is tabled by the Minister of Finance. I have a copy here: *Partnership for Prosperity*. I quote from page 19 of this document: "For example the range of impediments created by the government includes agriculture supply market boards that regulate production and prices of the various food products, including milk, poultry and eggs."

That tells us what is in store for Canadian agriculture in the dairy and poultry industry. The former Minister of Agriculture described marketing boards as trade impediments. Is this how he instructed Canada's GATT negotiators, that marketing boards are trade impediments?

What constitutional change is the government advocating in relation to this and other examples of what it calls internal trade barriers? What is the government doing, creating a constitutional fail-safe way of removing marketing boards from Canada, a way in which the government can have big business do its dirty work by challenging marketing boards on constitutional grounds? Did the government include this provision to appease the rank and file of the Progressive Conservative Party who at a policy meeting in Toronto this past summer defeated a resolution supporting supply management? Has the government examined the U.S. dairy industry that is in total chaos, an industry in which 40 per cent of the producers cannot pay their bills?

• (1040)

Has the government examined the concentration of the poultry industry in the United States where one company controls 14 million laying hens, twice the number that we have in all of Ontario, and where one of their largest chicken producing companies, totally integrated, controls one-third of the chicken production in all of the United States? How do we expect our Canadian farmers to compete against that sort of thing when input costs are so much lower?

The government should strengthen Article XI at GATT and ensure that it includes a provision to block imports from countries which are not practising sustainable agriculture. To block food imports from countries which are creating unfair competition with Canadian farmers by using chemicals and pesticides which are illegal for use in Canada is clearly needed desperately in this country.

In conclusion, I call on the government to support the poultry and dairy sector in this country; to stop using misleading figures relating to Canada's dairy and poultry producers; to support and strengthen Article XI, as it promised; to reply to those editorial attacks; to stop using blatantly false and misleading figures that cast a cloud over our dairy industry; to insist that the United States stop its export enhancement subsidies which are in clear violation of the free trade agreement; and above all, stop trying to drive a wedge between the Canadian consumer and the dairy and poultry farmers of this country.

I am appalled that one year ago this month the Minister for International Trade not only tried to mislead this House, but obviously mislead some of the news media of this country and the people of Canada. I call on the minister here today to speak up and clear this record; to admit the $2.2 billion support for Canadian dairy farmers, as stated by the former Minister for International Trade about one year ago, is a concocted figure. I call upon him to apologize to the dairy farmers of this nation because the actual figure of those subsidies was $267 million.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Madam Speaker, I have just a short comment. The hon. member speaks with great platitudes about what his administration would do. On the farm there is a saying that is common among the farmers when they go to hire a man. They say: "Don't tell me what you're going to do, tell me what you've done".

I think that it would do well for the Canadian people to observe very carefully what the administration has done. We remember when the Trudeau Liberal government said: "Sell the wheat". We remember when the Liberal administration dealing with farmers, whether it was the chicken industry, the feather industry or the dairy industry could not get one seat west of Winnipeg to represent them. They had to send senators out there to represent them. That is how serious it was.

We saw a very good example of that in this House just yesterday in terms of the votes that took place in this House. Where did the Liberals and the NDP stand? They stood with the labour unions. Forty boats in the ports, 10 more boats coming in to load grain and they voted against with the labour unions.

On the positive side, what the Conservative government has done is we have stood at the GATT. We have stood there for the dairy producers and we will stand there. We have stood there for the feather industry and we will stand there.

The Prime Minister was the first Prime Minister of Canada to ever address the Federation of Agriculture, which he has done three times. Check the record. I was at the meeting in Vancouver when he called 50 farm groups together.

An hon. member: What is he going to do?

Mr. Gustafson: Watch us. What I am saying is look at our record. Look at our record and judge us on our record. If there is a government that has stood with the farmers and will stand with them, it will be this government. We have had a history of doing this.

In Saskatchewan today they are going into an election. It is either going to be the labour unions under Roy Romanow or a man like Grant Devine who stood with the farmers, not always right on all issues, but always standing with the people they represent. We are the group of farmers. We are the members who represent the farmers and we will stand with them.

Mr. Ferguson: Madam Speaker, the hon. member asks whether we know where the government stood. I want to point out to him that under article 701.4 of the free trade agreement, the United States must take into account the effects of its export subsidies on other nations, how they affect Canada, and must ensure that they do not prejudice our exports.

Under article 1804, provisions are there for the government to call for consultations if such incidents take place and to ask for compensation. They did not do that.

I raised this in the House on March 18, and I would ask everyone to look at the response I got to that request by the prairie pools and by the farmers in western Canada. In terms of a former Prime Minister saying "why should I sell your wheat", I should point out to my colleague across the way and to everyone what the total statement was. He said: "Why should I sell your wheat? I could not sell it if I wanted to. You already have two government organizations doing it for you". Please use the full statement in total context the next time.

An hon. member: That was a bit rough.

Mr. Maurice Foster (Algoma): Madam Speaker, I was very impressed by the attempt to defend the government record by the hon. Parliamentary Secretary to the Prime Minister. It was only three or four weeks ago when grain and oilseed producers from across this land met and they are still waiting for government support.

Last year the government slashed support programs by $1.3 billion at a time when the price of grains and oilseeds in the world market was dropping by 30 per cent, from $135 a tonne to $95 a tonne. This member and his Tory colleagues voted unanimously with our caucus in an agriculture committee meeting to call on the government to provide emergency transitional assistance, as was asked for by the farm organizations right across the country. That is why we are having meetings all across the country today. There were 3,000 to 4,000 people meeting in Rosetown this week, 1,500 in Brandon and over 1,000 in Lucknow, Ontario, because the government welshed on that commitment. It made a commitment last winter to provide that assistance and it did not live up to it. It supported a unanimous resolution in the agriculture committee and two weeks later, here in the House when the motion was put, it voted against the same motion.

That is why we are concerned about what is going on at GATT today because we know that you have double-crossed us in the free trade deal with the United States and we are scared that you are going to destroy this entire industry in those negotiations this fall. If you do, you are not just destroying 30,000 or 40,000 farms; you are destroying rural Canada and that is unacceptable to Canadians.

Madam Deputy Speaker: Before I give the floor back to the hon. member for Lambton—Middlesex, let me say that it is very early in the day and it would be appreciated if hon. members who have the floor would address their remarks through the Chair. It might make things a lot easier later in the day.

Mr. Ferguson: Madam Speaker, I totally concur with what my colleague has said. There are very few farmers in this House of Commons who worked their lives to put together a family farm operation. It distresses me to see the despair and hardship out there across this country. I see my own son experiencing it.

I have to wonder, when I look at the graphic illustration of this book, why this government has not been going after the concentration of power in the food distribution sector, the wholesaling and retail sectors. Where was the Competition Bureau when all this was going on? It is unacceptable that the farmers of this nation should not have an income and the level of security that is available to the rest of society. We need an income that is commensurate with the rest of society. I for one am not going to stand here in this House and say nothing while the GATT article XI may well be neutered or done away with.

• (1050)

Mr. Schneider: Madam Speaker, I hesitate to rise on a point of order. I admire the hon. member and the presentation he gave but he did make several comments relating to the Minister of Agriculture misleading Parliament. Maybe he would like to have an opportunity to rethink those statements.

Madam Deputy Speaker: I listened carefully to what the hon. member was saying and I do not think he said that the minister deliberately mislead either the House or anyone, which is why I did not stop the hon. member on that.

I think it would be wise for all of us to be a little more careful with our words. As I said a minute ago, it is going to be a long day. It is a very strong debate. I think we can debate without using words that could be construed as insults to one another or to any other people.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I have a short question for the hon. member.

Madam Deputy Speaker: There is one minute left. It has to be a very short question.

Mr. Belsher: How does the hon. member opposite reply to the statement when our negotiators in Brussels say "we are continuing to operate under the instructions we took into the earlier talks in Brussels and those instructions reflected a negotiating principle, a position that was worked out with all of the segments of the industry"?

Those are their instructions. Those are what they are working under. Yet the member opposite and his cohorts continually say that we are dealing away article XI. The member knows full well the negotiating position of Canada and that position has not changed.

What does he tell his farmer friends about that?

Mr. Ferguson: Madam Speaker, the Minister of Agriculture said that that was their position, as you laid out, and it will not change until the government says it will change. Why did he not say that the government never intended to change it and will not change it? He did not say that.

I would also like to point out the words of the Prime Minister a few days later when he said that the government would try to help Quebec producers find alternative markets. That again throws a whole question mark over these whole proceedings.

Certainly I am worried about it. I am sure that farmers here today in the gallery are equally worried. These are facts that are contained in the *Hansard* of this House.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am very pleased to be able to rise today and speak on this very important motion.

Before I start into my remarks pertaining to that motion, I would like to make a comment or two. The Lucknow meeting has been referred to many times by my colleague from Middlesex and my other colleague from the northern part of Ontario. Lucknow, Ontario is in my riding. I have to say that at that meeting the farmers were there out of sheer concern. It crossed all political boundaries. I do not believe it was a partisan meeting in any way. They conducted themselves with great, earnest sincerity and I compliment them. I am very proud of the people who were at that meeting that night.

Since that time there have been many meetings held across the country. That was one of the first meetings held. We do recognize the seriousness of the problem. It was well recognized before those meetings, but when we see people gather in a non-partisan way to bring their concerns to all levels of government and all politicians we know how sincere they are.

As you have indicated before, Madam Speaker, it is early in the day. I guess I am the second speaker. I would hope that we are hon. members, ladies and gentlemen in this House of Commons, and that we can conduct ourselves with that same sincerity and feeling that was at that meeting in Lucknow that night. We must drop some of our partisanship feelings and try to reassure the farmers of Canada that we as politicians are working with them. We will do everything we can to support their positions at the GATT talks or in any sector of agriculture, internal, external, international trade, the Uruguay round or whatever it might be.

I ask members of the House of Commons to give this the serious consideration that is necessary for the debate that will take place today. It is early in the day and I think that we can be helpful to one another and give the reassurances that are necessary. I do not think it is the time for political muck raking of any political party, no matter which side of the House it might be on.

I would ask my colleagues on this side of the House to do their part as well in keeping the debate on the high road, for those very reasons.

An hon. member: We always do that.

Mr. Cardiff: I would hope that continues for the day.

As I said before, the motion before the House today asks that the government provide assurances to Canadian producers operating under supply management systems that will seek to strengthen and clarify article XI of the General Agreement on Tariffs and Trade in the current round of multilateral trade negotiations.

Let me assure hon. members that this government stands solidly behind the supply and management industries and is fighting hard to protect the interests of all Canadian agricultural producers. We could expand on that slightly or as much as we wish and have a debate as well on those two particular industries and what we have initiated in the past few years. In about the last three years the two task forces have brought the poultry industries together, the dairy industries together, all sectors, all the stakeholders in both of those two very important industries to Canada.

I believe by bringing all those stakeholders together we will have a much more solid position, a greater understanding by all the stakeholders, including the consumer who is one of the major stakeholders. I believe they have to have input and we have to understand what their concerns and needs are as well.

Our commitment to the supply management sector is strong, as I said before. We stated our position clearly last year at the multilateral trade negotiations in Geneva. Canada's offer for agricultural trade reform has not changed. It has not changed.

Canada's offer calls for greater security for supply management through a strengthened and clarified article XI at GATT.

My colleague, the Minister of State for Agriculture, met with Canada's poultry and egg marketing agencies just last week. He reaffirmed the government's position in the GATT negotiations on agriculture. I will just quote what he said: "We are firmly committed to negotiate an agreement which protects our supply management programs and as such we will do everything in our power to obtain a clarified and strengthened GATT article XI".

As recently as yesterday our caucus met with a number of the supply management groups from various parts, mostly Ontario. I hope our colleagues had an opportunity to meet with those people as well and discuss this very important subject.

There can be no doubt of the government's position regarding international trade reform. We have identified the problem and are moving aggressively to secure a successful resolution. In fact, my two colleagues in the agriculture portfolio, the Minister of Agriculture and the Minister of State for Agriculture, have both been in New York this week representing our farmers' interests.

The Minister of Agriculture met Wednesday with the European community's Commissioner for Agriculture and Rural Development and impressed upon Mr. McSharry Canada's resolve to have the talks ended and brought to a successful conclusion this year.

I was in Madrid last week at international meetings of ministers of agriculture and there were times last week when we had as many as 35 ministers of agriculture at the table taking part in the agriculture issues of the world. All have a desire to see a successful conclusion to this Uruguay round of talks.

In a statement following the meeting, my colleague was quite direct in voicing our position, and I quote: "Canada wants to see an end to the international subsidy war in fruit market access and the development of clear and fair GATT rules that apply to all countries, including the strenghthening and clarification of article XI".

This week the Minister of State for Agriculture is participating in several meetings concerning the GATT negotiations in Europe. His itinerary includes meetings in Geneva with the Director General of GATT. In all meetings my colleagues will stress the importance to Canada of international trade reform. He will stress the need to protect Canada's supply management sector and will detail the devastating effects these subsidy wars have had on Canadian agriculture. I do not think anyone will disagree with what the subsidy wars have done to our economy.

• (1100)

My colleagues who will speak today will talk in more detail about our position on supply management. I also want to take the opportunity to talk about the world trading environment and how it is affecting our farmers.

The international grain export subsidy war has devastated grain prices. Canadian Wheat Board initial payments, which are set in relation to current world markets, are at their lowest level in 15 years. The subsidy wars attacked without mercy an industry which is essential to our Canadian economy.

Canadian farmers are recognized as among the most efficient producers in the world. I do not think it matters what commodity they are producing. They are efficient. They have concern for high quality and I believe the consumers of Canada rest assured when they buy Canadian products that they have the highest quality product, nutritious and wholesome. That is what they expect and that is what they get.

We have done it without using massive subsidies or massive amounts of agricultural chemicals. In a fair trading environment Canada's grains and oilseeds industry would be healthy and competitive. There is nothing fair about what is going on.

This year the Europeans are expected to spend about $4.7 billion Canadian on export subsidies, about twice as much as five years ago. European export subsidies are the highest of any country on wheat and growing fast. Its export subsidies per tonne on wheat have more than quadrupled from $44 a tonne Canadian in July 1989 to $190 Canadian a tonne in February 1991. Already this crop year the European's feed export subsidies are higher than $120 a tonne.

The U.S. is expected to spend about $1.4 billion Canadian on its export enhancement program this year, and that is $1.4 billion more than it was seven years ago. In 1991 total EEC agriculture expenditures were about $42.5 billion Canadian. That is more than Canada's entire $30 billion deficit.

Recently the EEC sold wheat to China at about $85 Canadian a tonne, using subsidies approaching $200 Canadian. A recent wheat sale carried an export enhancement program subsidy of $70 Canadian a tonne. Selling prices have been as low as $75 Canadian a tonne.

A recent United States barley sale to Saudi Arabia carried subsidies of $47 a tonne, with a selling price of $88 a tonne.

These kinds of subsidy levels have pushed grain prices to Canadian farmers to drastically low levels. The agriculture policies of the European Community and the United States have been a brutal assault on Canadian grains and oilseeds producers. Their policies have attacked individual farmers in countries like Canada, Australia and Argentina which depend on the export market.

The export subsidy is also harming the environment. In order to increase yields, a producer in the United Kingdom uses on average three times more nitrogen fertilizer than a farmer on the Canadian prairies. In the Netherlands the rate of nitrogen fertilizer application is 30 times the rate in Canada.

It is time to put pressure on. European environmentalists have succeeded in demonstrating a way of life for our natives, the fur industry and our seal industry. Why are they not concerned about the environment in their own backyard?

The subsidy war is a crime against the developing world. Developing countries trying to compete with similar products are also hurt by low grain prices, and because agriculture is such a large part of a developing country's economy this hurts their entire population.

I was in Madrid last week at international conferences of IICA and IABA. Latin American and Caribbean countries were represented, and we certainly know that they have problems we do not have. We have very severe problems in our agricultural industry but they certainly have more problems. I am very concerned that if we do not get some resolve from the Uruguay round of talks we will see countries go into isolation to protect themselves and try to protect their own market, while they know that they have to have export for the development of their country. Many times in those poorer countries in Latin America and the Caribbean it is the women and the children who are suffering the most in those circumstances. I believe that the various nations of the world have to work together to bring a resolve to this devastating grain war.

One of the best ways to generate wealth internationally is through trade. We know that. The EEC's policies shut borders, restrict competition and deny opportunity. It is hypocritical for the EEC to encourage the new democracies of eastern Europe to develop a market oriented agricultural industry, while at the same time restricting access to the EEC markets.

There has to be an end to the export subsidy war and the solution lies in the GATT. The next few months are critical. There is no question about that. That is why we have to work together and take a solid position.

The options paper put on the table by European Agriculture Commissioner, Mr. McSharry, shows a willingness to start the reform process but it must move further. At least what he is proposing is a start.

This government has a major commitment of resources supporting Canada's negotiating strategy in the Uruguay round. The EEC and the United States have to know what we want, an end to this madness.

My two colleagues are in Europe this week delivering the message, and we will continue to bring our message to the capitals in Europe. We are prepared to take retaliatory action against the EEC as the Minister of Agriculture pointed out to Mr. McSharry just yesterday. He is the agricultural commissioner for the European community. I quote what was said yesterday: "I did not put it forward as a threat. I put it forward as a fact". We will make sure the farmers of these countries hear our concerns too.

I can assure members of this House that this government remains 100 per cent behind its negotiating position at the GATT on behalf of the farmers of Canada. Once again, I ask all colleagues of the House of Commons to work together. Let us keep our position solid. We believe that the position we have taken is fair and balanced and we have not changed that position.

I believe there is support in other parts of the world for the position we are taking. I know that our farmers, producers and consumers are all depending on us getting a resolve to this Uruguay round. I hope that we do have that resolve early in the next year.

Mr. Maurice Foster (Algoma): Madam Speaker, I was glad to hear the parliamentary secretary's comments today.

The parliamentary secretary has told some of our colleagues here in the House that at the inter-American meeting of ministers of agriculture on September 25, the matter of article XI was not even raised. I wonder if the parliamentary secretary could explain why he did not raise the matter, why he did not try to get the support of those several dozen ministers of agriculture to support our position on article XI.

After all, we do not dump massive amounts of dairy or poultry products on the international market. We control our production so that we are not massively interfering in the international trade. I wonder why the parliamentary secretary, who speaks for the government, did not raise the matter at those meetings.

I also would like to ask him if he agrees with the resolution before the House today, that this House supports the strengthening and clarification of article XI in the multilateral trade negotiations which are going on in Geneva and that it will not be party to any agreement that fails to achieve those objectives.

Mr. Cardiff: Madam Speaker, to my colleague from Algoma, article XI was raised in many bilateral meetings last week with ministers of agriculture in a different format. At all levels of meetings the Uruguay round of GATT talks was very much up front.

When you talk about reform to agricultural policies, we thought that reform meant all aspects of agriculture and that does include article XI of GATT. That is our position.

Our position is well known among all of those countries of the world and not all Latin American-Caribbean countries are at the table at the GATT talks. Last week's meetings were a great opportunity for them to put their positions forward and the problems that they are suffering because of this international war.

Also in respect to the motion, as I said before, our position has not changed. We are solidly behind article XI. We have asked for it to be strengthened and clarified, and that is what we intend to have happen in respect to article XI.

Mr. Vic Althouse (Mackenzie): Madam Speaker, in his remarks the Parliamentary Secretary to the Minister of Agriculture spent some time discussing the world wheat, grains and oilseed trade.

• (1110)

He said something like this, at least this is how I got it as a quote: "In a subsidy-free world Canadian grain and oilseed producers would be healthy and competitive".

Agriculture Canada, through a study by Whorley from the University of Guelph and I think McClatchy from the department looking at what a subsidy-free world would do to international grain prices, did not come up with a terribly optimistic view of what we could expect. I think it was something in the order of 5 per cent or 6 per cent of an increase from current prices.

A couple of economists from the United Kingdom have just completed a study concluding that the most we could expect would be a rise of up to 12 per cent.

Given that the world price is around $2 a bushel Canadian, does he honestly think that Canadian producers will be healthy and competitive at $2.24 or $2.25 a bushel for wheat? This makes no sense and it does not compute with any economic reality. Where does the minister get his dreams?

Mr. Cardiff: Madam Speaker, I think we all dream at times but this is not a dream. I am a farmer as well and I certainly know—and I think everyone in this House knows it whether they are farmers or not—that a bushel of wheat weighs 60 pounds and at $2.24 I have never seen such a bargain in my lifetime. It is not fair. A farmer cannot survive at $2.24 or $3.00 bushel. We have to be very honest and frank about that.

What we all love to see is the export subsidies discontinued in particular by the two major countries, the United States and the EEC. We believe that if the treasuries were withdrawn from those countries—

Mr. Althouse: *The Economist* assumed that.

Mr. Cardiff: I am not talking about *The Economist*. I am talking about my position. I do not believe there is a huge supply of world grains in the world.

I have not interrupted anyone in this comment at all. I believe and it makes common sense that there is no use of trying to find new markets and lowering the price every day you find a new market. Why grow more wheat to sell it for less?

Let us try to work together. Let us get paid for the crops we are growing, whether it be wheat, corn, barley, soyabeans or whatever. We know that there is a market in the world, but let us get some common sense brought back to it.

We can do all the studies we wish and predictions we make, but it takes some reality before anything will happen. I believe the first step is to get some common trade rules that grain producing nations in the world agree to and abide by.

It is not going to be a quick fix. Any of us who have farmed any length of time have lost crops. We have lost major crops and have not been able to produce much more than our domestic requirements. We know that in Canada we do produce for an export market. We have all forgotten the fact that we might lose a crop some year. We could lose a crop in all of Canada. It might not just be eastern Canada or western Canada, but those things have happened before.

I am a positive person. I do not believe in gloom and doom, but we have to face reality and we have all witnessed crop failures throughout the world. None of that has been taken into account by any economist study that I am aware of. There are other elements that often take place that will change those things.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, thank you very much for giving me the opportunity to ask a question through you of the member for Huron—Bruce.

There are many of us from urban ridings who are not as up to speed as those members from rural ridings. I have a great respect for the member for Huron—Bruce who has worked hard for his constituency. I have been with him travelling the world where he has represented all of Canada.

During his speech today he talked about the unfair environmental practices that are going on in the European countries. It would seem to me that it would be a useful exercise if the European community at large understood that its farming communities were doing this unfair environmental farming practice that the member talked about during his speech.

My question to him is quite specific. Has his government, he, his colleagues or the Minister of Agriculture ever considered communicating to European countries at large, whether through newspaper, radio or television, in order to attract more popular European support as to what is happening to the Canadian farmer here, this unfair trading practice advantage? In other words, let us take a page out of the book of Greenpeace when it tried to upset our seal practice in the Arctic. I would like to know what the member's view is on this particular approach.

Mr. Cardiff: Madam Speaker, I have not been privy to any discussion about advertising ads, but maybe that is a good way of making sure our colleagues in other countries are fully aware of what our position is and the devastating effect it is having on our agriculture.

It is a good point and one worth taking note of. I thank the member for that. I am sure that the producers in that part of the world are as concerned and as aware of their future environmentally as we are in this country or in any other part of the world.

It is my understanding that laws are being passed by the European communities that by the year 2000 considerable reduction by almost 50 per cent in the use of pesticides and chemicals has to take place. That normal reduction of pesticides and chemicals will ultimately result in lower production.

We have concentrated livestock operations in some of those smaller countries, extremely concentrated. Before you can spread the waste from those huge animal locations, pigs or dairy or whatever, you have to have a permit. You have to test the soil and you have to have a permit before you can spread that waste on that soil.

A friend of mine visited Holland earlier this year. He got permission one day to spread that liquid waste. They went away to visit and go on a tour. Another farmer knew it was okay to spread in that field, so he spread his liquid waste on the field while my friend was gone. That is the situation some European farmers are facing.

I do not want to leave the impression that European farmers are having it easy. They have their difficulties as well and are going to have to respond to environmental concerns as much as we are or maybe more.

Mr. Vic Althouse (Mackenzie): Madam Speaker, I rise to participate in this debate today which gravitates around the Canadian position in the GATT with regard to the supply managed industries and the question of whether article XI 2(c)(1) becomes strengthened in the new GATT negotiations.

I think the question of marketing boards and supply management is not fully understood even in Canada. We have a reality that exists in the production and distribution of agricultural products that has to a certain extent been recognized by producers in their decisions to establish marketing boards and the type of marketing board that will be put into place.

As a general rule, you will recognize that there are perishable products in agriculture which generally can be stored for a few days or a few weeks, certainly not more than a year, and there are other agricultural products that are almost non-perishable, like most of the grains and oilseeds that can be dried and stored almost indefinitely. Some kinds of wheat have been found in Egyptian tombs that were 5,000 and 6,000 years old and still would germinate.

The strategy that has been pursued by farmers and governments over the years has been somewhat different for each type of product. Marketing boards were established during the 1930s, based upon practices that were utilized and developed in New Zealand and Australia. The first marketing board was established to permit producers to co-operate and sell all of their products through a single seller, single desk selling as it is now referred to. This method is used by the Canadian Wheat Board. A whole host of products utilize the single desk selling technique at the provincial and national level.

• (1120)

An additional wrinkle occurred when marketing boards began to see that there were some problems in some of the more perishable products if there was no power to control supply. The first supply management board was established under the Canadian Dairy Commission by a special act of Parliament which gave the Canadian Dairy Commission the power to restrict the amount of production of dairy products to the amount that would be consumed in a year in Canada.

They have not been strictly hide bound about this. They have always permitted a little bit of product to come in from outside. This is to keep the wheels of world trade going, and the system has worked.

Using that as a basis, some of the so-called featherboards were established on a national basis. They got the power from this Parliament to establish national agencies which could control supply. The Canadian Egg Marketing Agency was established as well as the Canadian Chicken Marketing Agency, the Canadian Turkey Marketing Agency and the Canadian Hatching Egg Agency.

This Parliament also granted power to tobacco people to form such an agency, but that has not come about. I would prefer that Parliament make the establishment of these kind of agencies an automatic thing at the behest of the producers so that the law itself was wide open because awaiting approval from this House often kills an initiative. That is what happened with the tobacco initiative a few years ago.

At any rate, we have established this system that works in this country. We permit imports under licence. Imports are controlled by the Government of Canada in all cases. For a while the Canadian Wheat Board could control imports but that is slipping away now that we have had the Canada-U.S. trade agreement.

Under the board system we are much more liberal in our trading policies than our neighbour to the south, the United States. It does not permit any imports of dairy products. It does not permit any imports of sugar products. It does not permit any imports of peanuts.

It has a GATT waiver which it negotiated a long time ago in the early stages of GATT, and it will not give up those rights except under certain conditions. I think there were a few tiny little cracks opened up for some baked goods as a result of the Canada-U.S. trade agreement.

It controls those products very thoroughly. As an example to show how ridiculous it has become, the U.S. moved under GATT to get access to the Canadian market for U.S. ice creams and yoghurts. We resisted that as is our right under the GATT, but had we acceded we would have been in the ridiculous situation of permitting U.S. yoghurts and ice creams to come into the country.

If I or one of my neighbours wanted to take a trip into the United States for a tour of one of its parks and perhaps wanted to take a trailer or a motor home with us and happened to have in the refrigerator U.S. made yoghurt or ice cream and were inspected at the border, we would not be permitted to take those into the United States even though they were made there. That is the way the rules are at the moment.

The question of article XI 2(c)(i) has become a *cause célèbre* among those producers of products that are produced in Canada under supply management. It is a very large proportion of the production in some of the provinces, particularly in Atlantic Canada, Quebec and in parts of Ontario.

Also, it is very important in British Columbia and the prairies. A big chunk of our industry is being bargained with at the GATT table. These producers are feeling very uncertain about what the negotiators are doing to them in Brussels or Geneva.

They are getting conflicting signals from this government and from some of the people who are supposed to be engaged in the negotiations. We are being told, as we were by the parliamentary secretary today, that the government stands four square behind a strengthened article XI 2(c)(i).

On the other hand, we listen to the hon. Minister of State for Grains and Oilseeds who has been on a violent anti-European rage for the last six months. He has been addressing farm meetings telling them "Don't buy European. If you are unhappy with the way agricultural policy is going, dump your wheat on the parking lot of a European auto dealer or a dealer of farm implements that has European content. Don't come to me. Blame it on the Europeans. Boycott the Europeans. Don't buy any of their goods".

The reality is that prior to this rant by the Minister of State for Grains and Oilseeds we were depending upon the European community and the Nordic group to be our allies in pushing the strengthened article XI at the GATT. We did not have very many other allies strong enough actually to make certain that we would get a strengthened article XI. They read the newspapers. They have embassies in our country. They know what the Minister of State for Grains and Oilseeds is telling people across the country. They begin to think that maybe this is the policy of the Canadian government.

We get rumours back from the GATT negotiators that Canada is beginning to be pushed into a situation where the only real ally it has for article XI is Japan. We should realize that the Japanese are very passive negotiators in these sorts of things. They do not stand up and take strong positions. They simply stand there knowing that they have a very strong fortress, Japan. They have a very strong economy. They are very strong traders, and they do not think they are going to have to give up anything. If article XI is not strengthened, they are big enough players on the world stage that they can go on internally getting the same results for their producers as a stronger article XI would have produced, and the rest of the world can just go by or lump it.

It is not a very strong position that we are left in, thanks to the duality that we have seen portrayed by members on the government side.

I confess to Europeans and to Americans that our position perhaps seems a little schizophrenic. When it comes to grain trade on non-perishable products we are right in there saying that we want open borders, we want access, and we do not want international subsidies used and export subsidies used. When we are looking at perishable products, Canadians have always taken the position that we should produce enough to provide for our own market.

Some of the Americans are telling us that this is a two-tongued or a forked-tongue approach and it is a schizophrenic approach. Perhaps it is but it is also extremely rational when you think about what food production is all about. It is absolutely necessary to be able to produce those perishable goods that you need when you live in a country like Canada. We are not in the middle of all of the world's trading routes. We are a huge peninsula, I suppose, on the northern end of the Americas. We only have one country that we can trade with easily, and that is the United States. We are a northern community, isolated by long distances by three oceans, one of which is barely passable most of the time. We are isolated.

Our companions at the bargaining table at the GATT do not have that problem. The big powers have other choices.

• (1130)

The United States of America can trade to the south. It can trade to the north. It has a choice. It has a multitude of choices. We have only one choice.

The Europeans are sitting in a position where they can trade with the Nordic group, they can trade with the east bloc and the Soviet Union. They can trade with the African countries. They have lots of choices. They are all right on their doorstep and are all consumers who are well-educated consumers and they know the products that they have. They do not have to introduce the products and sell them, because they have a commonality of interests and the commonality of demands.

The Europeans are not terribly interested in getting a GATT result because their economy will go on very well, thank you very much, whether there is a GATT solution or there is not a GATT solution.

The Japanese are in a very similar position in their niche in southeast Asia, a huge market which they know how to penetrate and they have been penetrating for most of this century, actually.

Canada has been trading a little bit with everybody. We are a very large trader. We are dependent on world trade, so our seat at the table is extremely important in the GATT talks. But when we come to resolving the agricultural issues, we are not making it terribly clear or accepting the reality of why countries have agriculture in the first place.

I think we should be going to those talks, recognizing the reality that countries' first imperative is to try to feed themselves and to accept that that is a legitimate kind of trading and economic proposal. It is an economic proposition that has to be accepted. That would permit the production of perishable products within your own country, close to the demand that exists within your own country. That is what Canada had traditionally been saying. Even the United States has been acting on that, though it is not saying that in this round. The Europeans have definitely been acting upon that, as have the Japanese, who have become self-sufficient in the production of rice, even though they have a very small acreage. That is their key food input and they are self-sufficient in rice. They could, if they had to, live on rice and the results of their harvesting of the seed.

It is a natural thing for human beings in nation states to want to be able to feed themselves. The proposals that the United States has put on the table, and which has now become the dominant theme at the GATT, does not pay any attention to that reality.

Canada has, as often as not, taken the position of the United States, with the exception of Article X1 and because the article X1 argument has been shifted, or is in dire consequence of being shifted aside due to the reasons I outlined before, namely, that we have made ourselves less popular with the Europeans who should have been our allies and the Nordic group, we are now being isolated along with the Japanese and in consequence are probably going to lose it unless we very strongly start changing our public position.

The hon. Parliamentary Secretary to the Prime Minister pointed out that he thought that people made their decisions about whom to hire and in whom to put their trust by asking the question: "Don't tell us what you can do, tell us what you have done." I think that is what is beginning to be reflected in the rallies that we are seeing in Miami, Manitoba, Brandon, Manitoba, Lucknow, Ontario and most recently in Rosetown, Saskatchewan.

They are starting to say: "We have had these guys for seven years. They have not listened to what we have been asking; they have not done what we have asked; we are rallying to point out that the government has not reacted to the actual situation". The reality for people on the land is that world prices and their incomes have never been lower in purchasing power. In the history of this country since statistics were kept, the price of a bushel of wheat has never been lower in terms of real buying power.

Those commodities that are traded because they are considered non-perishable on a world market have never traded lower. The solutions that this government is offering is do away with all of the subsidies, do away with the export subsidies, do away with the internal subsidies and to rely solely on a world price.

Those were the assumptions that the two economic studies, that I referred to in my question earlier, used when they analysed what would be the result of going to that kind of a world. They looked at the kind of world supply-demand structure that most of the world experts foresee. They concluded that there would be very little increase in price at the farm level, that that increase could be expected to be up to 12 per cent.

Farmers who are selling their grain this year, with wheat at $2, are not encouraged to know that they can look forward to the great day when we get to the dream of this government when they can get $2.25. Their costs are more than double that. They do not see this as the great saviour and they no longer see this government and its party as the great saviour. They no longer see the Conservative Party as the party that shares their dream for the future of agriculture and the future of their rural communities. They no longer support the government's policies and they are beginning to tell it so. They are giving it a chance to correct its ways and mend its ways, but there is not very much time.

The GATT positions will be laid down clearly. We will find out within two months whether Canada is going to join the United States and bring the Europeans along into tariffication of all of the border measures that are now in effect under article XI or whether they will in fact stand up and try to find some allies and correct the mistakes of the past six months and get us a stronger article XI(2)(c)(1) as has been proposed by the people who are producing in Canada under the supply management system.

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I listened intently to the hon. member and was inspired to rise to my feet in particular reference to a statement that he made dealing with some of the statements that are being made by farmers at some of these major farm gatherings, sometimes referred to as protests.

As one who had the pleasure of being in the company of all Conservative members of Parliament from Saskatchewan at the Rosetown so-called protest, what I sensed that I heard was a protest against the price of grain. While yes admittedly there was the odd comment cast toward government, the majority of the comments were from a completely rational, fair and honest crowd who recognized that the problem was not this government inspired, but it was perhaps inspired by other governments, not the least of which was the European Economic Community and the United States.

I think you have heard over the past many members of the House of Commons in staunch criticism of the export enhancement procedures employed by both the European Economic Community and as well the United States.

I wanted to rise just to point out that there is another side to what one is capable of hearing at these events and to place on the record the fact that farmers, while despondent almost to the point of desperation realize where the problem is. They realize there will have to be some changes in agriculture in the future as well.

These changes include, as it has included everything in our lives, everything in the way in which we currently farm. Gone is the day when a producer can simply reply on a product that that particular farm has grown for 50 to 60 years. We find diversification becoming more and more the method of operation for farmers. However, we realize there are limitations in that regard as well. In reading about some of the problems that the European Economic Community is going through, 150,000 French farmers demonstrated, protested, saying: "Leave well enough alone. We rely on these export enchancements". That is the problem of the European Economic Community. Our problem, as we see it now, is one that we recognize, where the cash flow going to farmers, which in turn goes to support the small business sector, is one that we have to rely on.

• (1140)

I simply want to ask the hon. member, is my recall of events that occurred in Rosetown any different than what he heard?

Mr. Althouse: Madam Speaker, yes, perhaps we do have selected hearing. I did not hear anyone in that crowd at Rosetown say that they were awaiting changes in agriculture, that they were unable to make changes or refusing to make changes. Farmers are very quick to adapt new techniques and to make changes in products.

I will go back to my notes to make certain this is right. I heard one person who stood up, and it was reiterated by several others, say: "The purpose of this meeting is not to damn the Europeans. What we would like is a similar commitment from our government".

Another person stood up and said: "We have been hearing a lot of talk about the problems that the Europeans are creating for us in world grain and oilseed trade. But let us not forget"—and they were reasonable people, I remind the hon. member—"the Europeans, after all, only sell into about 20 per cent of the world market. Between Canada and the U.S., we control almost two thirds of the market". If we wanted to do something about a price, all it would take is the political will to get together with them and offer products at a higher price, or stay off the market for the first month and a half until the Europeans have run out and then run the price up.

We have not had this kind of initiative. What we have had instead is a deliberate policy from south of the border, agreed to here, that the U.S. loan rate will continually go down and effectively becomes the world market price, because any grain trader can go to the U.S. Department of Agriculture and get his supplies, knowing it will be available at that loan rate.

That has overhung the market for the last six years since the new program went into effect. It was an intent expressed quite clearly by a former Secretary of Agriculture on the part of the United States to dominate the world grain trade and to engage in international warfare and use, in his words, food as a weapon. They have been very effective at that. We have not stood up to them. We have not done anything on a government to government basis.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Madam Speaker, just one brief comment. I too was at Rosetown. I think the one comment I heard rattling through the 4,000 people who were there was that when some of the politicians got up and tried to take advantage and turn it into a political thing, the murmurings came: "Keep politics out of it".

Truly, the farmers were there to try and show government, everybody involved, to Canada—you do not get 4,000 people together that often—that they have some very, very serious problems.

We as a government are listening. We have stood with them and we will continue to stand with them. The time has come when it is important that we make food a priority, that food becomes the number one right.

It is interesting that on the one hand there are surpluses and on the other hand there is a starving world. In defence of the government I am a part of, especially in the west or for Canada, I see two options. There is the NDP option which brings in a land bank and takes over the farm, which eastern Europe threw out. They threw that system out. It did not work. There were food lines. Seventy-five years of communist socialism proved to eastern Europe what they can do. Today they are coming to Canada and asking for food, and we are going to deliver it.

Number two on the other side is that I think we are in a critical situation. What does the Reform Party say? The Reformers say that all farmers should be cut 15 per cent right across the board. We could not live with that. My goodness, I am a farmer myself. I have three sons farming and I will tell you that it is difficult. This Conservative government put $22 billion into agriculture and even with all that assistance I say it is not enough. It is difficult, but we have been the government that has stood with the farmers.

I guess farmers have to ask themselves if they want radical approaches or one that recognizes the problems that exist. We are listening as a government. We understand. It is well time that international leaders at all levels make food a priority. Certainly it is a human right. If there is one right, one human right that people have, it is the right to eat. We as farmers do not apologize to anybody for being productive, for being hard working and for having produced food. Canadians buy food cheaper than any other people.

I stand with these farmers here today and the farmers across this country and say that we will produce food but we need a fair price.

Mr. Althouse: Madam Speaker, I think the hon. Parliamentary Secretary to the Prime Minister should be reminded that in addition to the items that were said at Rosetown to which I responded to my friend from Regina, we heard a persistent cry for a need for $30 per acre to bring farm revenue up to where the GRIP would have taken them in the 1991 crop year that was completed last August.

The parliamentary secretary makes a plea for not going to radical solutions. I think he has not studied history very well. His government is proposing to go along with the United States and to do away with any support by governments to food production and agriculture. That is a radical solution. It has never been used in the history of the world. It is a new and radical solution. When you look at it clearly and calmly as even right wing economists do, they conclude that the results will not be particularly useful to farmers.

We have had in the last eight years in Saskatchewan more than two farmers per day leaving the province under this so-called benevolent program we have been living under. What they are proposing is to move to a program that would do away with all government interference which, I repeat, has never been the policy of any national state or community in the history of civilization.

Madam Deputy Speaker: As we are resuming debate I understand that the hon. member for Algoma will be sharing time with one of his colleagues. The hon. member for Algoma has the floor.

Mr. Maurice Foster (Algoma): Madam Speaker, I simply want to be closely associated with the hon. member for Lambton—Middlesex who has proposed the motion as our associate trade critic today concerning the support of the Government of Canada, Canadians and this House of Commons for the retention, strengthening and the maintenance of article XI in the GATT negotiations which are taking place in Geneva this fall.

It goes on to say in this motion that the government will not be party to any agreement that fails to achieve these objectives. I believe this is one of the most important debates that we will have this fall. It is unfortunate there are not more members in the House today for this debate because of the magnitude of it. It is so terribly important. One of the basic underpinnings of a successful, rewarding and viable sector of our agriculture is the supply management sector. Those poultry and dairy sectors of our economy are the most stable and the most self-reliant in our industry. The fate of them will be decided over the next few weeks in the GATT negotiations.

• (1150)

I want to call attention to the spectators in the gallery this morning from the Dairy Farmers of Canada, the Canadian Marketing Agency, CMA, the Canadian Chicken Marketing Agency, the Canadian Turkey Marketing Agency and the Canadian Broiler Hatching Egg Marketing Agency including a group, I understand, from Quebec. It is these producers in the gallery today whose very livelihood, whose job, whose income, whose very ability to make a living is at question in these GATT negotiations. We welcome them to the gallery today for this historic debate.

It is an historic debate because at this very moment the whole grains and oilseeds sector is also completely undermined because the government has reduced its support programs by $1.3 billion last year. It has failed to provide transitional assistance to the new stabilization program last spring. I do not think there has ever been a time in our history when there has been so much uncertainty in the supply and management sector. Historically it has been the most stable and well underpinned. At the same time that uncertainty is combined with just a desperate uncertainty and cash flow crisis for the grains and oilseeds.

I was especially struck by the response of the Parliamentary Secretary to the Minister of Agriculture today. When he attended the meeting in Madrid of agriculture ministers from across the western hemisphere, he commented to our colleagues here in the House that the matter of the GATT was never even raised. It is unbelievable to me, knowing the incredible uncertainty in the farming sector this year, that he did not raise it. I mean, where else would he have the opportunity to twist the arms of so many influential people, the ministers of agriculture from the western hemisphere, to try to say to them: "Look, article XI is important to us. We are not destroying the world trade with surplus, low quality, low priced stuff. We are restraining our production. We are having a viable industry. Why did he not do it? That is the kind of thing that has our spectators in the gallery very concerned".

It is in the communiqué. The communiqué says: "Oh, yes, we want stable agriculture and good relations in the GATT negotiations and all the rest". But he did not raise it. He did not seek their support. If you look closely at his answer, he did not answer.

On the same topic I asked him if it is the policy of the Government of Canada to say yes to our resolution this morning. The resolution simply says that we want the Government of Canada to strengthen and clarify article XI of the General Agreement of Tariffs and Trade in the ongoing multilateral trade negotiations and that it will not be party to any agreement that fails to achieve these objectives. Surely the parliamentary secretary, who speaks on behalf of the government in the House of Commons and on behalf of the Minister of Agriculture, should have said: "Yes, we agree with that motion. We will not be party to an agreement which fails to achieve these objectives".

That is the same kind of slippery answer that we have had from the Prime Minister, the Minister of Agriculture and the Deputy Prime Minister. They say: "Our position is to support article XI but if there is any change we will let you know". That simply is not good enough. That is almost exactly what the Minister of Agriculture said in response to a question from the hon. member from Haldimand—Norfolk here last week when he said: "Our position is to support article XI until we change it".

That simply is not good enough. This debate today and the whole question of the GATT negotiations is obviously very important to dairy producers, poultry producers, broiler producers, turkey producers and egg producers. There are about 40,000 of them but they employ another 40,000 or 50,000 people, perhaps another 100,000 people in those operations across the country.

They are the most stable, well organized producers in the country and they are self-reliant. They are not lined up at the door of the Parliament Buildings every fall demanding stabilization payments. They may be this fall, but they have not been in the past. If we let them down, you are going to see an exodus in rural Canada, especially Ontario, Quebec, Atlantic Canada, B.C. and many communities across the west including the prairies although they are not as dependent on the supply management sector. But certainly they are the most stable producers in that sector of the country.

We are going to see a withering of rural Canada. If we go the route of the United States—and often we think on this side of the House that is the ultimate plan of the Prime Minister—we will see these industries concentrated like they are in the United States where most of the eggs are produced in Georgia, Alabama and other southern states. You can go to states like Maine, which has roughly the same land mass as New Brunswick, and you will not see many eggs or dairy products produced there.

If we want to talk about regional development, supply management and these sectors have provided the greatest initiative for supply management that we see in this country.

This is a very important debate today. I am not getting your signals very clearly, Madam Speaker, as to just how much time I have.

Madam Deputy Speaker: I do apologize. I wanted to let the hon. member know that there was one minute left. At the same time in answer to his colleague who asked me if there would be questions or comments afterward, I said "Yes, five minutes", which is why my signal was five. I do apologize. I will allow the hon. member to conclude.

Mr. Foster: Madam Speaker, I was just getting my throat cleared for the debate. I am sorry to learn there is only one minute left. I simply want to say to the government this morning that it is impossible to describe how important this issue is. We and the producers feel that we were sold out on the processing side of supply management commodities in the free trade deal. We do not want the government to do the same thing in the negotiations with GATT. We want the government to stand up and fight for our Canadian position, article XI, whether it is maintained as a stand alone mechanism beside the tariffication of the United States or whether it is retained as the mechanism for controlling.

It is impossible to overemphasize the importance of this to the stability of these producers and to the stability of rural Canada. It is the government's responsibility, with all its lack of qualities and ability to do this, to go into those negotiations, to persuade the Europeans to support our position, and to ensure that article XI is maintained, supply management is maintained, and rural Canada is maintained.

• (1200)

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, in a comment directed to the hon. member, I understand that the member was indicating that I had not raised the question concerning article XI. I just want to make it very clear to the member that in all the meetings I held last week in Madrid, Spain that issue was raised.

I want to be very clear in this House that I did raise the importance of our supply management sector and article XI in particular at all the meetings that I attended last week, just so there is no misunderstanding.

Mr. Foster: Madam Speaker, if that is true, I am wondering if the parliamentary secretary could also explain the position of the Minister of Agriculture.

He is reported today to be planning to take retaliatory action against the European community for its subsidization of grain, oilseeds and so on on the world market.

I am wondering if the parliamentary secretary could explain why no action is being taken against the United States. After all, we do have a free trade agreement with it. There are mechanisms for raising disputes.

Clearly it has used the Export Enhancement Program which has $1.4 billion against our imports of grains and oilseeds not only stealing away or invading our traditional markets but driving down world prices. I am wondering why the strategy is to only take retaliatory action against the European community.

I would also like to ask the parliamentary secretary if it is the position of the government—after all, he speaks for the Minister of Agriculture when he is in the House of Commons—that the final portion of the resolution this morning before the House is that we will not only seek to support, clarify and strengthen article XI but that we will not be party to any agreement that fails to achieve these objectives of the resolution this morning.

Mr. Cardiff: Madam Speaker, I do not know whether it is appropriate. I did not give the last speech, but I would certainly be very happy to reply to the hon. member on retaliatory action against the United States.

The minister has very recently indicated his position in talking about retaliatory action in the European community, but we have also made very clear what our position is concerning the United States in its export enhancement programs.

I do not want him to feel that we have only targeted one country and not another, because that is not the case.

As far as the motion goes, it is a motion I believe would be supportable. I think our position in this House and as a government is very supportive of maintaining article XI and the future of supply management. I do not understand why it is even in question.

Mr. Foster: Madam Speaker, it was in the question. I put the question to the parliamentary secretary after he spoke because that is the key issue.

The negotiator for the Canadian agriculture section has made it clear that the government certainly raised the concerns among dairy and poultry producers that Canada may be in a position where it is going to have to give up article XI.

What we are trying to say in this motion is that the House of Commons is instructing, asking, directing or requesting strongly to the government that article XI be clarified and strengthened and that we not be party to an agreement in which we are going to give it up, because we believe that the tariffication proposal of the United States will simply ravage our supply management system.

I think that is why we want to know whether the government's policy is to not be party to any agreement that weakens or does away with article XI.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Madam Speaker, I have just a short comment. I am pleased that the hon. member is concerned about the fact that there is representation at the table.

I want to defend clearly on behalf of the government that our Prime Minister has been there, the Minister for International Trade has been there and the Minister of Agriculture is there right now.

Especially being a farmer from western Canada, to have spokesman at the table is important. If you put in these splinter parties that do not represent anyone, they never get to the table. The Liberals should take a good look at that situation.

There was no representation in western Canada. What happens if the Reform Party gets in there? Who does it represent? It is not at the table. The NDP is not at the table. We are at the table and we have done a good job of representing these farmers. We will continue to do that.

It was the Prime Minister of Canada—

Madam Deputy Speaker: I must interrupt the hon. member. The time has expired. I will allow a few seconds to the member for Algoma if he wishes to respond.

Mr. Foster: Madam Speaker, I think there is a great paranoia by the hon. member about the Reform Party. We are not arguing about whether the government is at the table or, as he said in his previous speech, if the government is listening.

What we are worried about is what it is going to do. We know what it did in the FTA and we just do not want it to do the same thing in the GATT negotiations. That is our concern. It is not whether it is listening, it is what it does.

In the cash crisis it has not done anything. On the GATT we are concerned that it is going to give it away. That is what we are concerned about.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, Canadian agriculture is in a state of crisis. The price of soy beans and wheat is 35 per cent below last year's level and 45 per cent below the fifteen–year average. In fact, losses in the province of Ontario total about $200 million this year. And now, supply management is threatened.

[*English*]

For the government to tell us that article XI of the GATT will not change until the government says it will change is hardly reassurance to the dairy farmers of Canada and the other producers of supply managed goods.

Let us remember that this is the same government that said that it was going to protect Canadian dairy farmers in the issue of ice cream and yoghurt in the free trade agreement. Look what happened there.

An hon. member: It sold us out.

Mr. Boudria: That is right. It sold us out.

[*Translation*]

Madam Speaker, the government has sent some alarming signals during the past few days. I have before me a document published under the title: "Canadian Federalism and Economic Union—Partnership for Prosperity", a document tabled in the House last week by this government. I would like to quote a few passages from page 19. Here, we see a list under the title: "Costs of Barriers". The following items are listed: agricultural supply marketing boards that regulate the production and prices of various food products including milk, poultry and eggs.

In its own document, the government refers to these measures as impediments to trade in Canada. How can the government tell us today that it wants to protect supply management, when in its own document tabled last week, it called the concept a nuisance?

[*English*]

I am worried. The dairy farmers, the poultry producers, the egg producers and others I represent in this House are worried as well. Dairy farming in Canada is a very important industry.

[*Translation*]

Let me give you a few facts. The electoral district of Perth—Wellington—Waterloo has 1,299 dairy producers. The one I represent, Glengarry—Prescott—Russell, comes second with 1,104 dairy producers. So you see how important this is for my riding! Lotbinière, 1,089 dairy producers; Beauce, 990 and Bellechasse, 969. These are the five electoral districts in this country with the largest number of dairy producers, mine ranking second.

• (1210)

Madam Speaker, Quebec produces 47.4 per cent of Canada's dairy products and Ontario 31.1 per cent. So you see, this is a very important issue for both provinces, since 77.5 per cent of dairy production is carried on in those provinces, and 75 per cent of dairy producers are in the two provinces I just mentioned.

[*English*]

We are not talking here about a small issue. We are not talking about a major issue. We are talking about something which is fundamental for the survival of that industry, not only in our country, not only in the province I represent, but even more so for my constituents.

Dairy farmers of Canada produced a document for us and made it available to members of Parliament. It is entitled *Update on GATT Negotiations*, October 1991. They are very concerned about the all too prevalent rumours going on right now in the public domain. They are more than rumours and there is a reason for them. It is that the supply management system we have could be exchanged for other considerations at the GATT and, in turn, we would get a so-called tariffication system.

[*Translation*]

And if we had that system, Madam Speaker, Canadian farm producers would lose 20 per cent of their income right from the start, assuming that the system would work and would be in place permanently. I say this because it is quite possible that this government—although its chances of being around for much longer are not that good—might subsequently try to reduce the protective tariffs they introduced. Then, of course, any remaining tariffs would gradually disappear, thanks to free trade. Canadian farmers and dairy producers in Glengarry—Prescott—Russell and elsewhere, would be left with nothing to protect them, and we would see a repeat of what we saw in the United States: a gradual concentration of dairy production and the production of many other farm products.

[*English*]

To those who say: "Well, that is free enterprise", I say: "Nonsense". There is nothing free about countries battling each other with subsidies. I have no doubt that the dairy producer in my riding is as efficient as the one in New York State. That is not the issue. Why should a dairy producer in Glengarry, in Prescott or in Russell, compete with the Treasury of the United States of America? That is the issue, the long term issue, were we to lose our supply managed system.

Milk prices to farmers could decrease by some 20 per cent under the tariffication system. That could very well happen if the government lets go of our supply management system. Furthermore, this pro-free trade government could then lower the tariffs, and remove them completely over time. Canadian dairy, poultry and egg farmers need the protection of existing systems, supply management. We need to preserve that supply management.

The issue is not whether the Reform Party would do worse than the Conservatives. We are not competing for who can do worse. We already know what we have across the way is bad enough. Heaven forbid that we could get worse than this.

We want to make things better and at least keep what farmers have now, our supply management system.

[*Translation*]

Madam Speaker, the voters I represent in this House want to keep their supply management system. What we need is a government committed to maintaining and improving that system. I say to the parliamentary secretary that our experience of the past few years has shown us what the government's commitment or so-called commitment is worth. We saw it in the Canada-U.S. talks, and we saw it in the ice cream and yogurt dispute.

I remember a political debate in Saint-Isidore de Prescott, in my riding, where the Tory candidate sitting next to me, who incidentally received a whopping 19 per cent of the votes, tried to convince my constituents that ice cream and yogurt would be protected under the Free Trade Agreement. The farmers in my riding didn't believe him, and they were right not to, simply because it didn't happen.

In the past, I have seen how we lost out under this agreement, and my constituents and I are afraid of what might happen now at GATT. I have confidence in the farmers in my riding and across Canada, but I certainly do not trust the government opposite to protect their rights. And members opposite will have to prove they mean what they say, because in the past, they have given the impression they want to terminate our supply management system.

Today, we will see whether the government opposite votes in favour of the motion.

[*English*]

That is what we need. We need to arm our negotiators with a clear resolution of this House, that we want to keep, retain, enhance and improve our supply management system for our country.

Mr. Dennis Mills (Broadview—Greenwood): I want to thank my colleague from Glengarry-Prescott—Russell. Last year I had the privilege of visiting Moscow and Riga, Latvia. When I was there I noticed that every morning on my way to this environmental symposium that I was attending that people would start lining up at the grocery stores at about seven o'clock, sometimes even earlier than seven o'clock, hopefully to get in there and hopefully get a little bit of bread or cheese. Very rarely did I see milk. Sometimes the meat that was there, I must confess I don't think we would have used that quality of beef on our pets here in this country. It was the most shaking experience that I ever had when I was in Moscow for that period.

We have heard a lot today about supply management and we are addressing our remarks primarily to the farming community. As an urban member of Parliament I would like to ask my colleague from Glengarry—Prescott—Russell what effect this is going to have on security of food supply and also prices for people in our major urban centres. We need our urban community, the people in downtown Toronto and downtown Montreal, to understand what this debate is all about today. With respect to all rural members, I wish when you address your remarks today that you could put in your speeches what effect this is going to have on the consumers.

With all due respect to the farming community—and I care and I understand from my colleague from Lambton—Middlesex who has done this fabulous document on *Compare the Share*—we need to communicate, not to the 300,000 farmers in this country who are suffering and who are in deep pain, but with the 25 million other consumers who are out there.

Madam Speaker, through you to my colleague, what effect will this have on my constituents who are not farmers?

Mr. Boudria: First of all, I want to congratulate and thank my colleague from Broadview—Greenwood. It is important for all members, whether they be rural members like myself or urban members, to be interested in agriculture.

Every time we have a debate on agriculture in this House, some urban members are very, very interested, and the member for Broadview—Greenwood among the most interested, if not the most of all urban members, and I congratulate him for that. Of course, the people on the farms produce the food and the people in the city eat the food, and they have to remember that. The member for Broadview—Greenwood knows that.

• (1220)

In terms of the remarks of the hon. member for Souris—Moose Mountain who qualified me as an urban member, the village of Sarsfield where I live has 230 people living in it. That is urban Canada, Madam Speaker.

I was raised on a farm and I now live in that village of 230 people, that vast metropolis of Sarsfield.

What the member for Broadview—Greenwood said is very important. We have in Canada the highest quality of food in the world. We have a very reliable supply. When did we ever hear we had run out of milk in this country? We do not. We do not run out of supply managed commodities. The system is reliable, has worked for decades, is stable, and provides a reliable, though not fantastic, source of income for our producers.

Speaking of what this does for the producer, some people—and I hate to name the Consumers' Association of Canada, but I will anyway—say that supply management is costly.

I beg to differ with those people whom I hate to mention, the Consumers' Association of Canada, but I will do it anyway. They are wrong and they often are.

Let me tell you for instance that in 1980 the income going to farmers for a litre of milk at that time was 38 cents and it has jumped to the huge amount of 57 cents over 10 years.

But do you want to know something, Madam Speaker? The price to the consumer has gone from 75 cents to $1.48. In other words, it is not the farmer whose income is increasing. It is those elsewhere in the chain who distribute and sell the food to consumers. That is why the price is skyrocketing but the farmer is not getting his or her fair share.

Some hon. members: Hear, hear.

[*Translation*]

Madam Deputy Speaker: Resuming debate. The hon. member for Kamouraska—Rivière-du-Loup, Parliamentary Secretary to the Minister of International Trade, has the floor.

Mr. André Plourde (Parliamentary Secretary to Minister of International Trade): Madam Speaker, since it came into power, the government has shown unwavering support of supply management. We believe it has been and should continue to remain a crucial element in Canada's agricultural policy. In this regard, we have been working with the provinces and the industry to ensure that supply management remains an up-to-date viable policy tool.

Thus, in the domestic agricultural policy review, we and the other stake holders in the supply management systems have been working hard to develop "second generation" supply management. We all recognize that supply management is a dynamic concept which has to adjust to changes in the market place if it is to continue to serve producers, processors and consumers into the twenty first century.

Since 1947, the GATT has recognized that if governments effectively control supply, there should be a corresponding discipline on imports. Article XI,2(c)(1) of the GATT thus provides the international authority to apply import quotas in support of effective supply control systems.

Unfortunately, a number of recent GATT panels have recognized that the current GATT rules require clarification. In particular, there is a pressing need to clarify which processed products can be placed under import control. In the case of the dairy sector, milk is under production control, but it is dairy products which are traded internationally.

Madam Speaker, the industry, the provinces and the federal government have thus agreed that a key Canadian negotiating objective in the multilateral trade negotiations is the strengthening and clarification of article XI. We have pursued this objective vigorously throughout the negotiations and will continue to do so.

As you are aware, Madam Speaker, Canada's negotiating position on agriculture has been developed in close cooperation with the provinces and all segments of the industry. It represents a truly national consensus that all segments of Canadian agriculture stand to benefit from an international trading system which is based on effective rules which are equally applicable to all countries and all commodities.

All segments of the industry recognize that trade barriers and trade distorting subsidies must be progressively reduced. Madam Speaker, it is crystal clear that the current distortions and uncertainties in agricultural trade are just as disruptive to a Canadian dairy farmer as to a Canadian grain producer. The status quo is not acceptable to either.

Our export commodities need improved access to markets and a substantial reduction in all forms of trade distorting subsidies. Our supply management sectors need to know with certainty what the international rules are, so they can operate their systems accordingly. All of these interests are reflected in a balanced way in the Canadian agricultural negotiating position in the Uruguay round.

Madam Speaker, as you are aware, the negotiations in Geneva are now entering a critical phase. Since the ministerial meeting in Brussels last December, to which I had the honour to participate, there has been an impasse on agriculture. Among the differences is the question of the future role of article XI. Madam Speaker, Canada has led the fight to strengthen and clarify article XI. However, there are other countries who wish to see article XI eliminated or, if this is not possible, to maintain the status quo.

As the chairman of the agricultural negotiating group has recently noted, there continues to be fundamental differences between participants on article XI, as there are on a number of other agricultural issues. Canada is leaving no stone unturned to maintain and expand support for continuation and clarification of article XI. Most if not all countries which support article XI have indicated they believe the detailed Canadian proposals do provide a reasonable basis for negotiation.

Madam Speaker, as recently as yesterday, my colleague the Minister of Agriculture was in Brussels where he forcefully presented Canada's views and sought support. The Agricultural Minister, Bill McKnight, issued a press release dated October 2nd, that is yesterday, following his meeting with Mr. Ray MacSharry, the European Community commissioner for agriculture. The communiqué says: «During that two hour meeting, Mr. McKnight insisted on the importance of winding up the multilateral trade negotiations as soon as possible, and he emphasized Canada's objectives in the context of the General Agreement on Tariffs and Trade, the GATT".

Madam Speaker, the communiqué also says: "Our position is very clear. Canada wants an end to the international subsidy war, the improvement of the market place and the adoption, in the context of the GATT, of rules that are clear and fair, including the strengthening and clarification of article XI." Mr. McKnight insisted on the very serious problems of the grain and oilseed producers. Those problems are direct consequences of harmful subsidies granted by the European Community and the United States. Mr. McKnight drew to Mr. MacSharry's attention the fact that the multilateral trade negotiations should come to an end as early as this year. He was very insistent on that point, saying that: "If this is not the case, the Canadian government will take whatever action is needed to correct the situation".

Madam Speaker, Mr. MacSharry, the European Community commissioner for agriculture, indicated he shares Canada's goals on article XI and that the European Community would continue to argue that article XI should be maintained and clarified.

• (1230)

Madam Speaker, although we are heartened that there is considerable support for the main thrust of our article XI proposal, we are equally aware that there is very strong opposition. There are a number of key issues which must be addressed if the agricultural negotiations are to be brought to a successful conclusion. One key market access issue is whether all non-tariff barriers should be converted to tariff equivalents. Another difficult issue is whether there should be some special agricultural safeguard which would be triggered if countries agree to tariffy. These two issues are obviously related to article XI.

In any negotiation as complicated and difficult as this one, there are a number of ways to achieve any particular objective. It is worth noting, madam Speaker, that some other countries have supply control systems which they protect by means other than article XI, such as the variable import levy system operated by the European Community. Canada's fundamental objective is to create an international trading environment which will enable Canadian supply management systems to continue. To achieve that objective, we have advocated a strengthened and clarified article XI and we will continue to do so. As developments occur in the negotiations, we will continue to consult with the industry and provinces to ensure that our fundamental objectives are achieved.

The resolution of the opposition suggests that we should reject any agreement that does not contain a clarification of article XI. Madam Speaker, does this mean that the Opposition wants to maintain the status quo on article XI? The dairy farmers of Canada and the other supply management sectors have all agreed that an unclarified article XI is the worst possible outcome. What Canadian supply management producers require is greater international predictability. They cannot make rational investment decisions if the current uncertainties regarding international trade rules continue.

This government has forged a national agricultural consensus that the agricultural trade interests of all the regions and all of the commodities should be pursued aggressively in a way which does not prejudice the interests of one at the expense of the other.

Is the Opposition seriously suggesting that before we even know what is really negotiable, we should completely ignore the vital interests of all regions and commodities which will require a successful result? The Opposition may choose to do so, but we in this government will continue to pursue a balanced negotiating position which reflects the nation's agricultural interests. We will continue to consult closely with all segments of the industry and all provinces as we enter the last few months of the negotiations in Geneva.

Madam Speaker, the moment of truth is fast approaching. The Director general of the GATT has said that November will see the making or breaking of the negotiations. In order to set the stage for these crucial weeks, Mr. Dunkel, the GATT Director General, has indicated that he will put forward a comprehensive negotiating proposal on agricultural, as in other sectors, which he hopes will provide the basis for an agreement.

It is this government's intention to consult with the provinces and the industry once we have Mr. Dunkel's proposal.

The Minister of State for Agriculture is in Geneva, at this very moment, meeting with Mr. Dunkel, in order to strongly make known Canada's views on this important question. We will miss no opportunity of ensuring that Mr. Dunkel is aware of Canada's concerns, which he is drafting those proposals.

The Minister of State for Agriculture, the hon. Pierre Blais, issued a press release dated September 30th, in which he said: "We are firmly resolve to negotiate an agreement that will protect our supply management programs and, to this end, we will make every effort necessary to obtain a clarification and strengthening of article XI of the GATT". Mr. Blais reiterated that commitment to representatives of Canadian marketing boards during a meeting in Ottawa this morning.

When the negotiations in Geneva resumed, Mr. Blais met with officials of Canadian marketing boards for chicken, turkey, hatching eggs, chicken raised for meat, as well as the dairy farmers of Canada, in order to look at the evolution of the situation since last July.

Madam Speaker, Mr. Blais, who is going to Geneva, will have meetings regarding the GATT negotiations on agriculture and intellectual property. He will also meet the GATT Director General and the President of the negotiating group on agriculture, Mr. Arthur Dunkel.

The minister will then go to Paris where he will meet the president of *l'Union des producteurs agricoles du Québec*, Mr. Jacques Proulx, to look at the situation regarding the GATT negotiations.

In concluding, Madam Speaker, we intend to examine in detail the negotiating position of each country before deciding whether the emerging agricultural package is a deal which would be in the interest of Canadian agriculture. Madam Speaker, to do otherwise will be irresponsible. Canada's agricultural export interests and our supply management interests coincide in that both of them need a successful Uruguay round and both would be adversally affected by a failure.

Mr. Milliken: Point of order, Madam Speaker.

Madam Deputy Speaker: The hon. member for Kingston and the Islands on a point of order.

Mr. Milliken: Madam Speaker, I believe that there is unanimous consent for the House to sit between one and two o'clock today.

Madam Deputy Speaker: The House has heard the suggestion made by the hon. member. Does the House give its unanimous consent?

Mr. Plourde: Point of order, Madam Speaker.

Madam Deputy Speaker: The hon. parliamentary secretary on a point of order.

Mr. Plourde: Madam Speaker, if my hon. colleague would give me two or three minutes, I will find out whether there is unanimous consent on our side. No one informed me that we were to sit during the lunch hour. So if you allow me, Madam Speaker, I will go check and come back.

[*English*]

Madam Deputy Speaker: We will now go to questions and comments. Resuming debate.

[*Translation*]

Mr. Plourde: Point of order, Madam Speaker.

Madam Deputy Speaker: The hon. parliamentary secretary on a point of order.

Mr. Plourde: Working so fast, we give our unanimous consent to sit through the lunch hour, Madam Speaker.

[*English*]

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, just before I comment in support of the motion before the House today, I must point out to the government that it must guarantee to Canadian supply management sectors that the system as it is at the present time will stay in place.

I would like to point out to the Parliamentary Secretary to the Prime Minister, who has unfortunately had to leave the House for a moment, that he made some comments earlier this morning about the importance of people listening to someone. I want to remind him of a story, because I do not think the Parliamentary Secretary to the Prime Minister is getting the point of all of the groups of farmers who are coming to see him and his colleagues, the thousands of farmers who are coming out to meetings.

I will remind him of a story about the sheep farmer who was talking to a group of people and telling them that because the wolves were destroying his sheep, they should destroy the wolves. Someone in the crowd stood up and said that maybe what would be a better route would be to neuter the male wolves and therefore that would look after it. The shepherd's response was that that person did not understand the situation. The wolves were not molesting his sheep, they were eating them.

I would remind the hon. parliamentary secretary that the concern the supply managed dairy, egg and poultry producers have at the present time is that this present government is going to throw them to the wolves if they do not protect the system on their behalf for these producers. Further to that, I would like the parliamentary secretary or someone from the government to explain to Canadian producers and to this House and to those who are watching what their definition of supply management is. They do not seem to make that very clear.

• (1240)

In the last few weeks they have continually asked producers why they do not think a system of tariffication would work. If we look at the minutes of the Standing Committee on Agriculture from a week or so ago, when one of the chief negotiators going to GATT on our behalf was there, there was a fair bit of that type of comment made. Madam Speaker, if you listened to what the previous speaker said, he spent a fair bit of time talking about tariffication. Perhaps we are going to have to have a look at that type of thing. I agree that we have to look at different systems, but the point being made is that we cannot throw our system and our producers and what they have done for the Canadian economy and Canadian consumers to the wolves.

Without primary agriculture, which is the production of food and fibre, there is no question that many rural communities would disappear in Canada. Unfortunately, that has already happened to some extent.

The University of Guelph in a study and a report they put out in conjunction with some other groups over a year ago outlined that the agrifood industry, which the supply managed sector plays a role in, is a $42 billion to $43 billion industry in this country. We all know the discouraging situation that is faced by Canadian grains and oilseed producers at the present time when their returns in real terms are worse than they were in the 1930s.

Added to that concern of farmers and producers in this country are the concerns of our supply managed sector, our dairy, egg and poultry producers. They can very easily see the distinct possibility of the erosion of the system that they have for their production and for the production of the benefits that they have and they provide, not only to the consumer but to our society in general.

We must recognize, and I do not think any Canadian can complain, what this sector has been able to provide to everyone including the farmers, consumers and society in general. This system is one that allows a decent return on investment. I do not think anyone can object to that. It does not allow an exorbitant return on an investment. It allows the owners, the operators and the employees a decent living, not an exaggerated living. It provides Canada and Canadians with a steady source of nutritious, wholesome and the safest food in the world.

How better can we provide all of these things to Canadians than to have them produced in our own country under our own eyes, rules and regulations? This does this. It does not guarantee this for every producer in that sector but it provides that for the efficient producer. When we talk about efficiency, let us look at what these sectors have done for Canadian consumers.

The dairy industry for example, since 1971, has increased its efficiency 71 per cent; our American counterparts, 46 per cent. New Zealand dairy producers have only increased their efficiency somewhere in the low thirties and western Europe in the single digits.

The economic viability in these sectors of our agricultural community, because there has been some economic viability and a system in place that allows a decent return on investment and a decent labour, has provided this sector of our agricultural community the opportunity and ways and means to do all of those other things that our society wants today; that is, to carry on sound management practices that will put into place the proper control of the soil, crop rotation, water conservation, soil erosion and the proper care of the environment. Unfortunately, because of the disastrously low returns in some sectors of our agricultural community today, even though farmers know how to farm better, they cannot afford to do so.

In every case, who knows better what is best for the soil, for water, soil and wind erosion, than the producers. In the grains and oilseed production right now a bushel of wheat returns a western farmer $2 a bushel. They know how to farm better, but the returns are just not there in order to allow them to have the equipment and carry out the practices. Therefore, in some cases they do not do as good a job as they should and they do not do as good a job as they would like to.

I would say that this sector has not only provided a decent return to the producer, but it has also provided a proper and decent return to our society and to our consumers in general.

I stress, between the dairy, egg, poultry and meat sectors, there are 40,000 producers in this country, 40,000 businesses. We talk about the plight of the small business. Some of those businesses are relatively small and some are relatively large. But we are talking about the economic viability, the economic future and the social concerns and the social effect that will have and the spin-off to the suppliers they buy from, to the people they sell to, to the processors they provide. We are talking about 40,000 Canadian businesses.

I ask this government what it has done in the recent past to tell Canadian consumers the benefits of the supply managed sector in this country.

I beg to question. I do not think it has done very much. I do not think, with the attitude it has of open free market, give it heck, way of doing business, that it cares that much. If it does, it has not not indicated it.

What has this government done to tell the other 100 countries involved in the GATT negotiations the benefits of the system that we have here in Canada and what it does for the producer, the consumer and the environment, the social fibre and fabric of our country and what it does for our whole society in general.

I stress to everyone that it does more than put food on the plate. The agricultural sector plays a major role. It is one of the four wealth creators in this country, the other three being fishing, mining and forestry. If the primary producer, the initial person in that chain, does get a reasonable return on their investment, labour and their management, how could they, as any business, stay in place?

Referring back to the comment at the beginning, this government does not seem to understand the importance of working and selling this on behalf of Canadian consumers and Canadian producers. It seems to be willing to very systematically consider throwing them to the wolves.

I do not think there is much more I can say. I only have one minute left, so I do not have to say much more. I hope I have made the point. This sector of the economy, agriculture production, is not asking for protection for the sake of being protected. As we have seen from documents prepared by colleagues, they are not getting a very large share of what the consumer pays. When we look at how much their share has increased in the last 10 years compared to what the consumer has paid, they are not getting an exorbitant increase. They are getting a fair share of the increase.

I call upon the government to explain to Canadians better than it has, and I am afraid, better than it cares to, the role this plays and how important this sector is, not only to the agricultural community, but to Canadians in general so that we can do what they have done for all of us in the future.

• (1250)

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, I have a comment in relation to what the previous member just stated.

The hon. member and I entered this House at the same time in November 1988. Since I have been here, I do not think there is anything that would indicate that we are about to dismantle supply management. I think every time the former Minister of Agriculture, the present Minister of Finance, has been on his feet in this House in the last three years he has indicated our support as a government for supply management.

During recent GATT negotiations and the breakdown of those negotiations, we have continually sought clarification and a strengthening of Article XI. We very strongly support Article XI, we support supply management and we have no intention of abandoning that.

How we can drive that message home any clearer than that I do not know, because the present Minister of Agriculture is in Brussels at this very moment and that is the message he will be carrying: We have no intention of dismantling supply management.

I come from a farming community. I was on the telephone to some of my own farmers yesterday and they are very concerned about that. Believe me, Madam Speaker, I have no intention of moving off of that target myself. The object is to maintain it, clarify it and to strength it because it is very, very important for me as a member of Parliament. That is a major part of my constituency, as with the member who has just spoken. It is a very important part of my constituency and an important part of his.

Agriculture is the backbone of rural Canada and I do not want in any way, shape or form to be a member of a government that is going to abandon that. It is very, very important that we continue, all of us on both sides of this House, to encourage the strengthening of our supply management system through article XI. Our present Minister of Agriculture is doing that at this very moment in Europe.

Mr. Vanclief: Madam Speaker, I do not question the fact that the present government has said that it is going to stick up for supply management, but what I will remind the remember of and what I asked someone in my speech for a definition, is what is the present government's definition of supply management. If it is the same as we have at the present time, why does it not say so? If it is going toward the United States suggested proposal of tarrification, let us fess up and let us tell the producers that that may very well likely be the case. But the government is not saying that.

The concern out there in the producer organizations and on the farm, and they keep asking the question, is why would tarrification not do the job that is being done now?

I remind this House that tarrification will not do what the present system does because tarrification opens the door, sticks the toe in and begins the ratcheting down of the system that is there at the present time.

Before I sit down, I want to remind the House that the speaker who just spoke said that he could not and would not be part of a system that did not protect supply management as we know it now. If that does not happen I would expect that the member would have to see fit to step down because he did not want to be part of that government.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, today we are not just participating in another opposition day or discussing another opposition motion. Rather, we are discussing an issue that concerns all Canadians and all members of Parliament. It is a survival of our food production sector.

We have heard a lot about the desperate plight of farmers in the last year, but I believe that any clear-minded individual would agree that our agricultural sector is going through a serious crisis, the worst probably since the Depression. How bad is it? In July the Ontario Federation of Agriculture declared: "A plunge in grain and oilseeds prices, the rush by governments to get out of ad hoc programs, have left Ontario agriculture in a state of emergency". OFA president, Roger George went on to say: "Prices are down dramatically. Ministers McKnight and Buchanan had better start taking the situation of Ontario farmers seriously or there won't be any farmers left to make the transition from ad hoc payment to the new safety net programs".

I believe the agricultural industry is in dire straits. That is why I asked the House of Commons Standing Committee on Agriculture to be called back in August to deal with the crisis facing our farmers.

Representatives from prairie pools presented a submission to the committee which indicated: "Grains and oilseeds producers are in a desperate financial situation. Prices have been bad and they are getting worse. The younger guys are starting to say there is no future in it for us" unless they have other sources of income. The average grain producer will be living well below the poverty line. That is how bad it is.

These people are not crying wolf. I had an opportunity to spend some time in western Canada this summer and talked to many farmers. It was alarming to hear the prediction that unless something is done quickly, and I emphasize the word quickly, 40 per cent of all farmers will be forced off the land this year. If things do not improve, 30 per cent more will be forced off next year.

Farmers continue to provide a high quality food. Yet they receive less than the cost of production for their labour. Does that sound fair to anyone in this House?

Many areas in Ontario have the worst crops in recent memory and have nowhere to turn. But there are none of their members in this House today addressing this issue.

Farmers and agriculture are the cornerstone of our economy. We have heard that time and time again by probably all members of Parliament. In the past they have resolutely accepted the increasing losses of income with an external optimism only found in rural Canada.

However, this hope has all but been extinguished. Farmers are desperate. Farm families are dedicated to providing food for Canada and the world. They have given all they have. They have given their savings, their homes and their futures and they cannot give any more.

There is a feeling of desperation and despair in rural Canada. That stems from a feeling that no one cares, that this government does not care for them.

Rural Canada is suffering. When agriculture suffers, everyone suffers, the country suffers. Low commodity prices, poor crops and international subsidy wars will mean the demise of many more farmers in this nation if we do not act now to save them.

Members opposite are saying: "Why get into this now? We thought we were discussing the GATT situation". We are talking about farmers in desperate need, the grains and oilseeds producers. But who are the farmers who have the most stability in our system who under normal circumstances can pay most of their bills, look their banker straight in the eye? It is the supply managed commodity farmers that can do this.

Is this a coincidence? I do not think so. These producers operate under marketing systems that assure Canadians adequate supplies of safe and nutritious food at fair prices while providing some sort of efficient income for these producers. These are the farmers that this motion is dealing with. These are the farmers that will be in an equally desperate situation as the grains and oilseeds producers, if we do not stand up for them now and defend them at the GATT.

We have heard the Minister of Agriculture, the Minister of State for Grains and Oilseeds, the Minister of Finance and the Minister for International Trade and our negotiators all say that they support supply management and that they are committed to seeing the strengthening of Article XI of the general agreement.

The question is: Can they be believed? They have mouthed support for grains and oilseeds farmers. They said that they are going to protect them. They have admitted that there is a $1 billion shortfall this year for the 1990–91 crop year.

• (1300)

Have we seen anything? Have the farmers got anything in their pockets yet? No. One might legitimately ask: What is its ultimate objective?

I believe this government is hell bent for leather to destroy the department and the industry that we have built together over a long period of years.

Always remember, it takes longer to be a builder than it does to be a wrecker. We have had how many studies in the past three years? I would say about a dozen. What did it tell us? Anything new? It did not tell us a damn thing.

It basically tried to implant in people's minds that farmers were inefficient and must become more market oriented. All the facts and figures I intend to show will prove otherwise.

The agriculture producers of this land have become the most productive people in our society and have reaped the smallest reward for their efforts.

These highly efficient producers have been falsely attacked by both inside and outside this government. The former Minister for International Trade stated that the Minister of Agriculture should be ashamed of himself for his actions in subsidizing farmers to the tune of $8.8 billion.

It is an out and out falsehood. It is a direct lie. Never in previous history have moneys received from the marketplace been called a subsidy in an international GATT meeting.

It is a damn falsehood, and it is a lie. I believe that this is a purposely orchestrated attack to deter people's minds from the really costly culprits in our society.

Millions are spent and lost. Consumers are paying much more than they should per producer, in some instances increases in prices of over 150 per cent, and not a peep out of anyone in those benches. Why? Is this a special vendetta against a minority group of people? I think so, but why?

The highly subsidized professors and civil servants who pay for economists subsidized by the big food chains are dictating to them what they should write. I want to make it clear.

I see nothing wrong with criticism as long as it is accurate and honest, but half truths, supposition and lies I will not accept and neither should anyone in this House.

We have built an agricultural industry that is second to none in the world, one that allows farmers some say in the marketplace, one that is subject to public scrutiny like no other producing sector of our society. These are the farmers we are defending in this motion.

In many cases it took years to build these marketing structures such as the Canadian Wheat Board, the Canadian Dairy Commission and the poultry marketing boards. These are all legal structures, allowed by our democratic provincial parliaments and our federal Parliament. These are not illegal entities. They are subject to more scrutiny than any monopolistic multinational that you can find.

My hon. friend from Lambton—Middlesex was speaking this morning. He suggested that the former minister for trade was directly misleading Canadians and totally misled this House in the facts that he presented to GATT and in this House last October 15. I think he was calling him a liar and I think that if the former Minister for International Trade did not withdraw those comments and did not correct those comments in the paper, he was lying and that the hon. member was right.

I know my time is up, but I want to finish by saying this. I thank the hon. member for his comments. I want to end by saying that the government has proposed that it is protecting our supply managed commodities.

I was at the GATT last summer, and I met with people from the European commission. They told me that they had not once heard from this government on article XI of GATT. That was well after the negotiations began, so who do you believe? Do you believe the members or the ministers of the Crown who get up and suggest that they are protecting supply management?

Do you really believe the European community which is negotiating this, which said directly that the minister did not, nor did anyone from this government, ever bring forward supply management as an issue?

I see my time is up, Mr. Speaker, and I thank you for your indulgence.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I do not mind taking part in a debate and responding to anything in this House but there were many inaccuracies in the previous member's comments, particularly in relation to the GATT. He knows full well that our agricultural minister worked very hard on behalf of all farmers in Canada to ratify strengthening article XI, that which pertains to marketing boards, that which defines marketing boards in this country.

That is absolutely absurd.

He might have been to the GATT negotiations for an hour or two hours as an observer but he certainly was not there to watch what our minister did on our behalf as farmers of Canada.

I suggest that his remarks are totally off base and inaccurate and I suggest that he withdraw those remarks.

Mr. Speller: I was only relaying facts as I met with many members of the European commission over a period of a week that I was there.

Mr. Thompson: Point of order, Mr. Speaker, what he is telling us is third party rhetoric or hearsay and if he is referring to it in that sense he should spell it out clearly because that is not what he said in his original comments. It is third party gossip that he is referring to.

The Acting Speaker (Mr. Tremblay (Québec-Est)): That is not a point of order.

Mr. Speller: When I was over there last July I met with them and asked what the position of the Government of Canada had been on supply management. They said "silent". They had not met us, had not yet talked to us about that. I indicated surprise because our government has been saying back home all the time that it was standing up for supply management. They were somewhat shocked by the fact that all this rhetoric was going on but the government had not really put any major proposals to them on this.

I am just telling the member straight what the European community told me. It is not gossip. It is exactly what it told me. If he infers from that that his ministers are lying then that is up to him. I cannot say that directly. I can only tell you the facts on what these people told me.

[*Translation*]

Mr. Gaby Larrivée (Joliette): Mr. Speaker, I think that we are going through an extremely difficult period in almost all sectors, but especially in our country's farming industry.

Today's debate could be worthwhile if together we sought ways to support our farmers instead of trying to insinuate all sorts of things that could lead the people to believe that the government is doing nothing to help farmers, which is absolutely false.

I find the arrogance shown by my colleague extremely unfortunate in that he seeks information in Europe and tells us that the government is doing nothing or doing a bad job when the whole policy and strategy and the proposals were developed in Canada with the farmers—that is the position our negotiators took and maintained from the beginning.

I find it insulting for our Canadian farmers to be told that the government is not defending them properly when we know very well that the government is maintaining and putting forward in Europe proposals that were worked on here in Canada. I think that my colleague should have become much better informed here in this country about the decisions and proposals instead of going to Europe to ask foreigners what our position should be or what position has been taken.

• (1310)

[*English*]

Mr. Speller: I say to my hon. friend that I am showing no more arrogance than the Minister for International Trade did to farmers when he told the Minister of Agriculture, in response to my question, that farmers were getting too much money. You tell me about arrogance. I would remind the hon. member, who represents an area with a number of dairy farmers, a number of supply managed commodities, that it has been this side of the House that has been running this issue for the last two years.

I ask the hon. member where he has been and where his colleagues have been on this issue.

Mr. Ken Monteith (Elgin—Norfolk): Mr. Speaker, I am pleased to join this debate today and state the government's position on negotiations under the General Agreement on Tariffs and Trade regarding article XI.

Canada is inescapably a part of the global economy as a country whose prosperity depends on the export of almost 30 per cent of what it produces, about 50 per cent for agriculture. It is essential to Canadians that the world trading system is fair and open. That is why this government has dedicated so much effort to the Uruguay round of multilateral trade negotiations under the GATT. We strongly believe that the best way to ensure long-lasting beneficial trade relations is through an open, stable and free trading world marketplace.

Canada has been actively participating in the Uruguay round negotiations for the past five years and has been pushing for a strengthened and balanced set of rules regarding agriculture. Canada will continue to do so.

A successful resolution of the MTN is one of Canada's highest trade priorities. It is founded on the simple principle that the fewer trade barriers there are between countries, the more prosperous these countries will be.

The current rounds of talks began in Uruguay in September 1986. We had high hopes that we would achieve breakthroughs in many fields, as for the first time agriculture was in the forefront of the discussions. It was this government that insisted that agriculture be at that forefront.

It was a long journey, both literally and figuratively from Punta del Este to Brussels where the round was supposed to conclude last December. Along the way those hopes were tempered, almost dashed, but the work continues and our goals remain the same.

Canada's goals were spelled out in our offer which was tabled in Geneva last October, almost a year ago. I would like to review them.

We as a government, as a country, are seeking substantial reductions in trade distorting subsidies, particularly export subsidies. We want improved, predictable and more secure access to export markets by a reduction in tariff and non-tariff barriers. We would be prepared to offer comparable access to our own markets as well.

We want clearer and fairer GATT rules that apply equally to all countries, including a strengthened and clarified article XI, the elimination of a country's specific exemptions and better disciplines on the use of countervailing duties. Finally, we want to see the development of a framework of rules to prevent the abuse of health and sanitary regulations as disguised barriers to trade.

We have developed a balanced and comprehensive offer which is consistent with our objectives of substantial trade liberalization, fairer and more predictable trade rules, and equal treatment among GATT countries.

Canada's offer and objectives in the MTN remain unchanged.

We continue to pursue those objectives because we are convinced that an agreement which achieves them will be beneficial for all Canadian agriculture.

The clarification and strengthening of article XI remains a key objective for Canada. Our proposal, tabled last year, includes specific proposals for clarifying a country's rights and obligations through rules on product coverage for processed products, the meeting of effective supply control, the establishing of import access and new disciplines on exports. This balanced proposal was developed in close consultation with all sectors of Canadian agriculture and enjoys the support of the entire agrifood industry.

Canada has vigorously pursued the proposal of article XI, working with other countries including the EEC, Japan, Austria, Switzerland, Norway, Finland and Korea, which support the retention and clarification of article XI. In fact most countries supporting the continuation of article XI have indicated that they believe the Canadian proposal should form the basis for negotiation.

If this kind of agreement is reached, governments will still be able to provide support to the agricultural sector. Our objective is to make sure this support is provided in ways that are less trade-distorting. However, a number of countries continue to be of the view that all non-tariff barriers should be converted to tariffs, including import controls under article XI.

An agreement along the lines of our over-all position would also carry other benefits including improved and more secure market access, clear enforceable GATT rules, improved market stability and improved GATT mechanisms for resolving disputes.

It is important to note, Mr. Speaker, that we are not alone in this struggle. Canada is one of the original members of the Cairns group of developing and developed countries. This group of medium-sized agricultural exporters is dedicated to promoting agricultural trade reform. The Cairns group played an important role in making agriculture a priority on the agenda at the GATT ministerial meeting in Uruguay in September 1986 and we are continuing to work closely with the other members to achieve our goals at the MTN.

The Uruguay round has tried to deal with some very contentious issues. Not surprisingly, the task has been difficult. The European community especially has not been able to reach internal agreement on how to revise its common agricultural policy. The United States in turn has been unwilling to stop wielding its big stick in the export enhancement program.

As a result, we have witnessed a long and very destructive trade war and Canadian farmers have been caught in the cross-fire. The U.S. and the EEC have been using massive export subsidies that hurt all exporters. Canadian farmers feel the impact of export subsidies directly because the prices they receive are based on world markets. The Canadian Wheat Board sets its initial payments on the basis of international prices. The low world grain prices this year are reflected in the Canadian Wheat Board initial payments for wheat of only $95 per tonne.

Yesterday, the Minister of Agriculture met with EEC agricultural commissioner Ray McSharry to press for an early completion to the current negotiations and to emphasize Canada's objectives with respect to the GATT. During that meeting, Mr. McSharry assured our Minister of Agriculture that the EEC continues to support Canada's position on article XI.

• (1320)

Our Minister of Agriculture underlined to Mr. McSharry that extreme difficulties were being experienced by Canadian grains and oilseed producers as a result of the destructive EC and U.S. export subsidies.

The minister similarly raised concerns about these damaging export subsidies and the need for clear and freer trade rules, including the strengthening and clarification of article XI when he met recently with U.S. Agriculture Secretary Ed Madigan.

Today the Minister of State for Agriculture is in Europe to reaffirm Canada's position at the GATT. Tomorrow he will meet with Arthur Dunkel, Director General of the GATT, to make our concerns clear.

Mr. Dunkel has been holding technical consultations with delegations since February. He has been working hard to facilitate the detailed negotiations that must occur this fall if talks are to conclude successfully.

As I mentioned before, Canada's position at the MTN was developed in consultation with all stakeholders in the agri-food sector. We are continuing to consult with both industry and the provincial governments as talks progress.

As negotiations proceed in the coming months, Canada and other countries supportive of article XI will need to continue pressing the case for strengthening and clarification. This period will obviously be one of uncertainty about the outcome of negotiations. It is therefore important that all those having an interest in supply management, government and industry, work closely together to achieve our common objective.

It is in our interest and the interest of the international trading system that we achieve an international trading system based on rules that treat all players as equals. That is why we have worked as a government and continue to work so hard for a successful conclusion to the MTN.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I have a question for the member who just spoke.

It has to do with the motion of the day. As we know it is an opposition day, but the opposition seems to be very much focused on our abandoning of supply management. The question to the member is simply this: Can he see any evidence where this government might be weakening its position with regard to supply management or any sign that this government may indeed want to abandon its position with regard to supply management?

Mr. Monteith: Mr. Speaker, I thank the hon. member for the question.

There have been a lot of discussions in the past two or three weeks about supply management in Canada. I see no evidence that Canada is weakening its position.

As a matter of fact, I believe there was a meeting yesterday of all the supply management groups in Canada and at that meeting, as I understand it, those supply groups supported Canada's position.

They supported the fact that Canada is continuing to fight to protect supply management in Canada. We have done that from the beginning as a government. There has never been a government in Canada that protected supply management more than this government.

What government managed to have agriculture put in the forefront, on the front burner at the discussions at GATT? It was under a former Minister of Agriculture from my riding that those talks were put on the front burner, because of discussions by him and our present Prime Minister.

There is no evidence that this government is weakening its position. We are prepared to continue with our position of supply management for Canadians because we recognize the fact that it has been of tremendous benefit to Canadians, both producers and consumers. We will continue to do that.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I wonder if my hon. friend from a neighbouring riding is aware of the fact that Mr. Mel Clark, a former deputy negotiator for free trade and the GATT, spoke about a program where the former Minister of Agriculture talked about the government's position on supply management.

The former minister said: "The Conservative government has defended the right to establish marketing boards in the past and will continue to do so in the future, but ice cream and yoghurt is a GATT issue and not a free trade issue and the GATT waiver for certain U.S. agricultural products is most unfair".

Mr. Clark said he reviewed Mr. Mazankowski's statements. I am just reading from his remarks and he says that: "(a) and (b) are simply not true. (a) being that the Conservative government defended the right to establish marketing boards in the past and will continue to do so. And (c) is a part of an attempt to hide from Canadians the effect of the FTA on marketing boards".

I am wondering if my hon. colleague is aware of these comments and may I have his views on this.

Mr. Monteith: Mr. Speaker, I thank my hon. friend from the riding of Haldimand—Norfolk.

The hon. member has raised the issue of whether or not a former, very distinguished Minister of Agriculture for this country, supports supply management and free trade for Canada.

I think it has been stated on many, many occasions that this government has indicated that both are necessary for Canadians. We have indicated many times, in many speeches in this House that we wanted the GATT to be clarified. We felt there were many things that needed to be clarified for many countries so that we know exactly where we stand when we are exporting and talking about subsidies, whether it be export enhancement subsidies or domestic subsidies.

That has been our position all along and we will continue to support the farmers of Canada as we have done in the past.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, it has been a long time since a Minister of Agriculture, the Hon. Eugene Whelan, used to tell Canadians that we do not have a food subsidy situation in Canada. What we have is a cheap food policy in Canada. I used to tell the people in British Columbia that we were not subsidizing farmers, we were subsidizing consumers.

I do not intend to say very much about our grain growing. That is something with which I have had no personal experience, other than to say this. With respect to grain, it is costing a lot of money to produce the grains we are exporting and, to some extent, using here. I believe 80 per cent of grains and oilseeds are produced for export, not because we want farmers to grow feed or oilseeds or grains as such, but rather because we need something to export. These commodities make up our second largest export class in Canada.

Last year alone, 1990, we paid some $27 billion in interest on the debts of all Canadian governments. It would be nice if we could print dollars with the pulp we grow here and ship those out, but nobody wants them. We have to either borrow from abroad to pay that $27 billion or we have to ship out some concrete goods.

It is very important to us to ship out that grain. If the cost of that in part is helping farmers get a price that will enable them to keep on producing those grains and oilseeds, well then it is in the interest of Canada to do it. It does not help the farmer so much, because they would quit producing if there was no sale. It certainly helps Canada as a whole to have that very important export commodity.

• (1330)

The Parliamentary Secretary to the Prime Minister I think was the one who said: "It's rather peculiar that the two opposition parties together have been supporting the government employees represented by the alliance and yet, at the same time, are now standing up and supporting the farmers".

Over the years it has certainly been in the interest, whether it is the Liberals or Conservatives that are in power, of both of those parties to keep a wedge between these two groups; between organized labour on one hand and farmers on the other and yet they are natural allies.

Farmers certainly want union workers, organized workers, all workers to get a decent income so that they can keep on buying Canadian food if nothing else, and certainly the workers have no objection to farmers getting a decent return for the work they are doing.

I can draw on my own experience to give an example of that. I became Minister of Agriculture in September 1972. Prior to that, ever since the milk board was established, whenever the milk board announced that because of formula calculations or whatever there was going to be a price increase in fluid milk, there was an immediate drop in consumption, utilization if you like. People bought less fluid milk. It would then gradually climb up again. This happened regularly every time there was a price increase.

When I became Minister of Agriculture and the time came for an increase in price to be announced I announced it. I went to the news media and I said: "We need an increase of one cent or two cents a quart on the milk that the consumers are buying here in B.C. because the farmers need that extra money to pay their increase in costs." Not once during the 39 months that I was Minister of Agriculture was there ever a dip in consumption. The consumers, organized labour and everybody else, as long as they were convinced that it was the farmers who were getting it, felt that there was a real need and they were willing to support that and kept on drinking steadily increasing amounts of milk.

We are natural allies, labour and farmers, and yet it is to some people's advantage to try to drive this wedge between, to separate.

I see people smiling. They were not listening to my argument I suppose or were not paying too much attention to it.

Union workers do not have it all that easy. Although they were not able to negotiate any kind of a contract between the alliance and Treasury Board, even if they had a negotiated contract, they would know, in signing that contract, that in all likelihood inflation was going to keep on at the rate of some 6 per cent a year for the next three years. During part of that time they were to get no increase at all, part of that time there would be a 3 per cent increase, something like half the rate of the inflation increase, and in the third year the same thing. They are steadily losing ground.

As it is, they are probably going to be something like 14 per cent behind at the end of this period that was forced through the House by the government majority and there is nothing they can do about it. They know that in bargaining they do not know just how much it is going to cost them to live some one, two or three years down the road. They do not have it all that easy. They have to make their best estimates. They have to bargain for what they hope will be a contract that will enable them to keep their ground, to hold their position, although often they do not make it.

It is the same thing with organized workers in all fields. They are the only ones who say: "Yes, we are prepared to accept such and such a wage this year and next year and sometimes into the third year", without being assured by anyone that the cost of living is going to be controlled in any way at all, although the Governor of the Bank of Canada says he is trying to, as to how much of the increase they have negotiated is going to be eaten up simply by the increase in the cost of living.

There was a time when we did control it, Mr. Speaker, and I think you might remember this as well as some of the members in the House, simply by controlling the bank interest rates. Some of you will remember when it was fixed, when you knew exactly what it was going to cost you this year and 10 years down the road to borrow money from the bank. In those days there was very little, if any, inflation. It worked. We cannot do that now because of the banks and we do not want to do anything to the banks.

The unions do try to negotiate wage increases to hold their own. Once they have negotiated the unorganized people in all of those industries for all of those employers are given an increase which is always more than the organized workers get. They are getting a higher salary to start with and their percentage increases are usually higher again.

Professionals seem to manage too. We hear of farmers going bankrupt. We hear of individuals having troubles.

We do not very often hear of professionals who are doing their job properly having that kind of trouble whether it is engineers, accountants or medical practitioners. They form organizations. They do not always set their rate of return, their pay for what they are doing, but certainly in the medical profession they do because in Canada we do have a Canadian medical plan, and they negotiate with governments to get a certain return for their labour. They know what it is going to be. They have trouble some time in the same way that organized labour does. They all get together and try to achieve some sort of unified approach, some way of trying to get a reasonable return for their labour, what they consider to be reasonable. Sometimes we are inclined to think that an increase that somebody else gets is unreasonably high, whereas the increase we ourselves get is always unreasonably low.

Nevertheless, they manage. They form their associations. They form their organizations, whatever you call them. In the case of trade union workers, they form trade unions. They all work in the same way.

The one major group in society that does not seem to have been able to make as much headway in that way is the farmers. In some areas it is particularly difficult for the farmers to try to do it. How can they negotiate in the same way that an employee working for the government among 100,000, 200,000, or 300,000 members of the alliance could? One employee would be in no position to go to his employer and try to negotiate some change in working conditions or some increase in pay or whatever.

I believe I am still on the 20-minute time allowance.

Farmers, when they try to plan their return from their work, their investment, everything they get, have not to be concerned only about the price they are going to get above the market return. They have to worry about whether they are going to have anything to sell at all. They have to worry about the weather. They have to worry about pests. With animals they have to worry about diseases. They have to worry about whether they are going to be able to sell their products and, if so, if the price brings back a reasonable return.

It is much more complicated for farmers to run their business than it is for most other groups in society or even most businesses. There are many more problems to be considered and many more things that are just totally unknown from one day to the next. They do not know when there will be an influx of grasshoppers to wipe out their crop. They would know a day ahead but not much more than that. Disease might strike as has happened when I was in the poultry business.

I keep layers for a period of some 20 years. For a short time during that 20 years they kept me, but most of the time I was keeping them. That was before marketing boards.

I can recall in 1951 getting a wholesale price of 87 cents a dozen for eggs. The price today is about 20 per cent more than that. I bought feed grain at $34 a ton 40 years ago. The price today has increased almost eight-fold. The difference has been that the farmer has learned to become more productive: Technology.

When I went to university in 1949 I was told that the average egg producer in British Columbia, trying to make a living with a flock of less than 1,000 hens, was obviously not going to make it. He had to have 1,000 layers. That is 40 years ago. Today the figure would be at least 20 times that, probably more by now since I am out of touch.

It is just that difficult. The egg producers have learned to use technology, have learned to take advantage of the improvements in breeding as well, and they are able to do it. Although they are paying eight times as much for all of their input costs they are still able to get a reasonable return. The marketing board has made that possible. I said that 40 years ago the price I got for eggs was 87 cents a dozen. Six months later it was down to half of that. There was no marketing board. How could you plan under those circumstances? You could not. The marketing board has made it possible, and the resolution talks about supply management.

• (1340)

Someone asked what supply management means? It is very simple. It is knowing how much you want to produce in advance, whether you are going to produce it for your own people only in your own province, your own country or even in your own municipality, knowing how much is required in reasonable limits. Are you going to have any to export? Should there be any exports? Should there be some that would be manufactured into other products?

It is adding all those quantities together and determining how much is going to be produced of eggs, for example, and then dividing that in some rational system among the egg producers. It works.

Society does not pay the cost of that. Consumers are paying but they are paying less than they would be without that kind of a system in effect, and the farmers are getting a decent break. That is supply management.

We cannot use it for grain but even with grain, as I said earlier, we are producing it for export because we need those export dollars. Canada as a whole needs them, not the farmer. The farmer does not get export dollars. He or she gets Canadian dollars, but Canada as a whole needs those export dollars, so we have to produce everything we can for export.

It pays, in part, the $27 interest charge annually. It is important that we do win this fight at Geneva. It is extremely important to our system of supply management. It works at the resolution stage for the dairy producers. It works for the feathered groups, the birds, and it could work for other products. There is no reason at all that we could not extend it.

I am sure if it is protected and saved it will be extended to other animal crops as well. I was talking about the hog producers who have an association in B.C. There is not a full marketing board set up, but at least they work together to try to improve the lot of everyone in the industry.

The cattle producers in B.C. have tried to arrive at some kind of a system. So far they have just fallen short of being able to come up with anything that is reasonable.

In not being able to accomplish this, as I said earlier, the farmers are behind every other group in society. Every other group organizes and no one criticizes them for organizing. Some people such as those at the Fraser Institute will say that marketing boards are costing consumers a lot of money.

That is not the case. They are paying a fair price for the product. The prices of eggs to consumers and fluid milk to consumers are not being subsidized at all. They are reasonable prices. Farmers are getting their return. The consumers are paying a fair price, although some want to take advantage of cross-border shopping. I appreciate that. Some want to earn their high incomes in Canada and then go across the border and buy cheaper products that are being produced at the cost of the people who are producing them. They are not getting a fair return.

In Canada we have been able to achieve a fair return without cost to society as a whole, without cost to the government. The cost is only to the people who are consuming the products. It is the one instance where we are not running a cheap food policy.

As Mr. Whelan and I used to say, we are running a reasonable policy. We are planning our production to suit the needs of the people in our community, and it is being paid for within the community.

We have to salvage this at GATT, and I wish I could feel confident that we will do so.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, it is more of a comment than a question.

I think it is only fair to point out to this House that 19 years ago, in early December, in an historic display of federal-provincial co-operation, 10 provincial ministers of agriculture across Canada and the federal minister, the hon. Eugene Whelan, signed the first national marketing agency into being.

I was one of the first charter members of the National Farm Products Marketing Council, the supervisory body over this legislation. The National Marketing Agency came from this, and those 10 ministers and the federal minister, with their foresight, unwavering support and dedication of purpose brought order out of chaos in the poultry industry in this country.

I point out that of those ministers, and of Mr. Whelan we all know his sincerity, purpose and dedication, there are two who stood out above all others. The two others were provincial ministers of agriculture. One was the late William Stewart of Ontario and the other was the hon. member from Nanaimo—Cowichan who just spoke in this House. I think members of this House should be aware of this.

Mr. Stupich: Very briefly may I say that I believe it was Mr. Olson rather than Mr. Whelan who signed that very first agreement. I still have the pen in my possession. It is engraved on that date. It was before he left office as Minister of Agriculture, although he had been defeated in the general election preceding that.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I notice that the hon. member for Nanaimo—Cowichan has remarked that he has been in the political game and the agricultural policy field for a long time, having been the minister of agriculture in the province of British Columbia and now sitting in this House. I notice that he has spent some time worrying, along with the rest of us, about the fate of article XI.

I am wondering given his experience why it is that he continues to be concerned, as I have to admit I am, but perhaps he can put it in words better than I can, about this government's commitment to a strengthened article XI given the fine words that we have heard from the government side this morning and this afternoon.

Mr. Stupich: Mr. Speaker, we have had that assurance from the Prime Minister. I would remind you that Prime Minister is the same person who said, when he was running for the leadership of the Tory party, that getting into a free trade deal with the United States would be the worst thing that Canada could do or words to that effect.

I can recall that the Minister for International Trade was another person who, when running I believe for leader or at least some time around that date, gave us exactly the same reassurance that Canada could not afford to get into a free trade deal with the Americans. The Prime Minister and the current international trade minister were right then. When it suited their purposes, they very soon changed their minds totally and got us into this free trade deal with the Americans which has been so costly to us.

With that kind of a reputation and that kind of a record, can we believe those ministers when they say that they are going to do the best they can to salvage article XI?

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, today we look very seriously at the GATT agreement, particularly the area that is affecting supply management, article XI of that agreement.

Many people are showing a great deal of concern for livelihood as Canadian producers if that clause is not strengthened. We know that supply management in this country affects very strongly the dairy, poultry, egg and feather industry. I have to stop and think and ask myself the question: Why is the business of agriculture not treated and looked upon in the same light as every other business?

It seems that we have heard supply management as a word to avoid. Many consumer groups have suggested supply management is not the best way to go. I have read editorials in major newspapers across this country which condemn somewhat supply management.

An hon. member: They don't understand it.

Mr. Pickard: My colleague is very correct. I think they do not understand it clearly.

When I start to ask myself what supply management is, I relate back to the manufacturing industry. I relate to the auto industry or the clothing industry and I think to myself, these industries operate under very controlled supply management systems.

• (1350)

They market a product. They do research on sales. They produce products to match that market and match those sales.

When we start to look at it, what does that really achieve for an auto company? It knows how many cars it is going to produce in any one year. It knows how many workers it employs. It knows the cost of the raw materials going into the product. It knows what its energy costs are going to be to produce that product. It then hopes that it will anticipate proper sales. If those sales are not achieved we are in what we call a recession. That basically is the situation for almost every manufactured product in this country.

Let us take that scenario from the manufacturing industry and bring it into what we would call the agro-industry. When we stop and think about it farmers who are in supply management systems have done exactly what people in manufacturing areas have done. They have tried to define a market, done research on quantity of sales, set up production quotas to match that sale projection, and set up quotas so that they can be extremely efficient. Efficiency is the goal. Reasonable supply is the goal. When we stop and think about it, they really are doing what should be done in any business or any industry. They are looking at optimum values out of inputs, optimum value out of what is being put into that industry.

How is the consumer then affected by what they are doing? First of all I have to say that any consumer who realizes part of an industry is being developed to the point where it can control what goes in and what comes out, is sure to say we are going to have a very safe supply of food. We are not going to be in situations like my colleague referred to a while back this morning in which many countries of this world do not know where the next amount of food to the family is going.

We have to somewhat control our own destiny in agriculture in this country and supply management may be one of the better ways to do it, reliable supply of food.

Second, we have rules and regulations about safety in our country. By making sure that we have a very safe, adequate food supply, we do another service for that Canadian consumer. We make certain that safety and health are maintained at the highest level possible.

I hear stories about chicken barns in southern United States that are not cleaned for six months. Every chicken barn in the supply management system in Ontario, every time it goes through a series of production, is cleaned and changed. Antibiotics are not given to the chickens to prevent disease as much as they have to be in other climates and in other sections of the United States where safety is not the same concern.

I believe that quality control has come about because we have a reasonable marketing system in this country.

We heard the government side suggest this morning that there are a great deal of environmental concerns. It stated several countries of the world that overfertilize, that create all kinds of problems on the land by overfertilizing, overusing pesticides and herbicides which in the long run are going to destroy much of the agricultural land they are using.

With supply management systems we have found that Canadians are becoming most effective. They are becoming very environmentally sound and in our country today we use far less fertilizers than many regions of the world. We have become efficient to the optimum level. We have been able to look at those problems, do the proper research, and ensure efficiencies in the industry.

Because the farm community is operating in marketable systems and management systems that are producing a very solid agro-industry in Canada, probably the most stable part of Canadian agricultural industry, as consumers we should be quite ready to support it, realizing that it is to our benefit.

The previous speaker from the NDP suggested that Mr. Whelan, a colleague, a very good friend of mine who comes from southwestern Ontario and who was a former agriculture minister, stated that the strength of agriculture is really the strength of our country. We must realize that when we support the agro-industry, when we support the food industry, we are supporting the consumer in this country. We are supporting safety and all the good things we can think of within self-production.

We must remember that second to the manufacturing area, in particular the auto industry, agriculture is one of the largest industries in this country.

If I go on and start looking at who is operating management boards, I would see Canadians who are serving Canadians, Canadians who are buying products from other Canadians who produce food, Canadians who are buying pesticides, herbicides, using Canadian energy, paying Canadian taxes, paying financial institutions in this country, buying at every commercial enterprise in this country. They are Canadians who support Canadians. They are Canadians who pay taxes. They are Canadians who do what this country needs to survive, and that is generate and produce a tremendous amount of business in Canada.

I look on it from the government's point of view, this House's point of view, that if we do not protect the farm industry this country loses a tremendous amount of business which cannot be reclaimed.

When I look at article XI, at the protections we need, I realize that we must make certain that our programs are maintained very strongly.

I ask myself: Why is the United States not interested in defending our supply management system? I know that Canada is not going to have a major impact on people in the United States. Our supply management systems have been designed to serve the Canadian public. They have been designed to make certain that we as Canadians receive the benefits.

Many statements have been made today, but the most important part is that we must make certain agriculture survives.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, I appreciate the overview the member has just given us on the supply management system.

I want to bring to his attention a comment made by Ralph Barrie, who is the National Farm Products Marketing Council chairman and someone who would hardly be considered an enemy of marketing boards.

One of the things that Mr. Barrie has brought to our attention is that he sees too much rigidity, too little flexibility, too much warring and too little partnership among producers, processors and consumers.

I believe many of us can see that, although we want to protect marketing boards, my question to the member is simply: in that context can he see any changes within the present structure of marketing boards to make them more responsive to present day needs of Canada?

• (1400)

Mr. Pickard: Madam Speaker, I believe that marketing boards are probably one of the most responsive groups in this country as far as the Canadian consumer goes. They look at their markets and their production, consider what production will best serve the Canadian public and make certain there is a stable, safe food supply for all Canadians.

Certainly forces are tearing at the marketing boards, but it is comments like those made in this House in the past by the former minister of external affairs, Mr. Crosbie, which hurt the boards. I need not restate those comments but they were anything but supportive of the agriculture community. I also make reference to the Canadian federalism and economic union, the report that was given by our Minister of Supply and Services which put very much on the line that there are impediments to the agricultural—

Madam Deputy Speaker: Point of order, the hon. member for Carleton—Charlotte.

Mr. Thompson: Point of order, Madam Speaker. I referred to comments made by Mr. Ralph Barrie, chairman of the National Farm Products Marketing Council, and he is not addressing—

Madam Deputy Speaker: This is not a point of order; it is a dispute as to facts, and it is a question of debate, a dispute of the facts. The hon. member may want to continue after Question Period. It being 2 o'clock p.m. the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CFB CORNWALLIS

Mrs. Coline Campbell (South West Nova): Madam Speaker, on one hand, the Minister of National Defence tells us that we have to cut back on excess infrastructure; but on the other hand he says the construction of a new $36 million naval reserve base will go ahead.

It is nonsense to consider new facilities at a time when existing bases are on the chopping block. CFB Cornwallis already has excellent facilities, is close to the sea, and is in a bilingual area. In fact, it started out as a naval training base in 1943 and has maintained a naval tradition since that time. It is large enough to handle the planned increase in our naval reserves in addition to the present English recruit training it already does.

Madam Speaker, there is no economic justification for a new base that will cost $36 million. Making CFB Cornwallis a naval reserve centre would not add one cent to the department's budget.

* * *

PROPERTY RIGHTS

Mr. Garth Turner (Halton—Peel): Madam Speaker, since the government first proposed to restore the right to own property to Canadians there has been a great deal of debate as to exactly what this might mean.

Much of that debate has been misinformed. The detractors of property rights have somehow assumed that this right would supersede the rights of society.

Today's myth about property rights is that bestowing them on a corporation or a person would give that entity the right to pollute land. Absolutely not, Madam Speaker.

The individual's right to own property would not wipe out society's right, or Parliament's right to ensure that stiff environmental standards were met. Restoring the right to own property, a right Canadians always enjoyed before 1982, simply gives all of us a guarantee that if our land is taken from us, due process of law will ensure us just compensation. In a democracy the state can do nothing greater than ensuring its citizens have as many rights as possible, and restoring this right is a major contribution to democratic freedom in Canada.

* * *

BASEBALL

Mr. Sergio Marchi (York West): Love those Toronto Blue Jays! Last night the Jays captured the American East Division and the hearts of all Canadians and this is just the beginning on the road to winning the World Series of baseball.

What a great way of liberating Canadians from the depression they feel over this Conservative government, of taking pride in the accomplishments of the team and of its fans, of providing a sense of unity and collective enthusiasm for Canadians at a time when these feelings are so desperately needed.

I know all members and Canadians will want to join me in wishing them every success as they prepare to battle baseball's best.

Madam Speaker, it would be a dream come true—think of it, after the Prime Minister and his government have hit so many fouls, committed so many errors and struck out at bat so many times with the Americans—for the Toronto Blue Jays to walk away with the national American pastime, the national championship of world baseball.

All together now:

Some hon. members: Okay, Blue Jays, let's play ball!

* * *

AIDS AWARENESS WEEK

Mr. Bill Domm (Peterborough): Madam Speaker, I would like to offer my full support to the Peterborough AIDS Resource Network known as PARN. During Peterborough's AIDS Awareness Week, October 7 to 13, I am pleased that all levels of government are throwing their full support behind this event, as are hundreds of other community based organizations.

It has been brought to my attention that there are nine known cases of AIDS and 33 instances of HIV positive people in the Peterborough area. Three of these cases have been reported since May of this year.

Jonathan Mann of the Harvard International AIDS Center stated recently that the World Health Organization expects the number of people infected with HIV to triple to 30 million this decade and the number of AIDS cases stemming from infection by HIV is expected to grow from 1.5 million cases this year to 15 million cases by the year 2000.

As Peterborough's member of Parliament, I am proud to have in my riding an organization such as PARN.

* * *

EDUCATION

Mr. Rod Murphy (Churchill): Madam Speaker, last week I was in Lac Brochet, an Indian reserve for which the federal government has responsibility. School children in Lac Brochet have been waiting since the early 1970s to have a permanent school built. They do not even have trailers, only makeshift classrooms with rotting roofs in a part of the country where winter temperatures often drop to 40 degrees or 50 degrees below.

Young children walk outside to go from one class to the next. Despite a letter I received from the former minister of Indian affairs stating that construction of a new school for Lac Brochet would start in 1991 or 1992, Lac Brochet has been told it must wait six more years, a total of almost 26 years, before a school will be built.

Madam Speaker, it is disgraceful that in this day and age the children of those educated in makeshift classrooms will themselves be forced to not only start school, but finish their education in these intolerable learning conditions.

I call on the Minister of Indian Affairs and Northern Development to commit the necessary funds immediately for the construction of a new school in Lac Brochet.

S. O. 31

BASEBALL

Ms. Barbara Greene (Don Valley North): Madam Speaker, last night in a heart-stopping game at the SkyDome, the Toronto Blue Jays clinched the American League East title with a comeback 6-5 win over the California Angels in the bottom of the ninth inning.

The sellout crowd also clinched a major league season attendance record, with 4,001,526 fans. Fantastic. Love those Blue Jays! Okay, Blue Jays, let's play ball!

* * *

[*Translation*]

COUP IN HAITI

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, the President of Haiti, Jean-Bertrand Aristide, went to the Organization of American States to plead with the international community to intervene as directly and quickly as possible in his country to restore democracy. It is obvious that the military officers who usurped power cannot continue to pretend that they democratically represent the Haitian people. All Canadians, especially Canadians and Quebecers of Haitian origin, are absolutely appalled by the events that have just taken place in that country.

I can only quote the words of a Canadian representative who said, "We do not need talk; we need positive, concrete action to bring the military back in line."

Madam Deputy Speaker: The hon. member for Terrebonne has the floor.

* * *

WORLD SUMMIT FOR CHILDREN

Mr. Jean-Marc Robitaille (Terrebonne): Madam Speaker, since last weekend, we have been celebrating the first anniversary of the World Summit for Children throughout Canada and the world. Events are now going on in 47 countries on the theme "keeping the promise' '. Religious, educational and community activities are held to remind the people and elected officials of the commitments made at the World Summit for Children and to ask leaders to carry out their promises.

Madam Speaker, Canada, which played a very active role in this historic event, co-chaired by our Prime Minister, intends to fulfil the commitments it made at the Summit by pursuing various initiatives. These commitments were reiterated in the government's most recent Speech from the Throne.

• (1410)

Madam Speaker, I therefore ask all members of this House to support today all participants in the campaign to have all countries keep the promises made last year.

* * *

[*English*]

CORPORATIONS

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I am pleased to announce the beginning of a new weekly award. It is called the corporate carpetbagger award. This award recognizes corporations which in the context of the free trade agreement and Tory economic policies packed their bags and fled south from Canada.

Our nominees for this week are: Varity Corporation, which shuffled off from its headquarters in Brantford, Ontario to a $13.5 million mansion in Buffalo, New York. The cost to Canada is at least 3,000 jobs and $200 million worth of broken promises to the taxpayers.

Nominee number two is Black & Decker, which left 264 jobs when it moved its production in January 1991 from Trenton, Ontario to the United States.

Nominee number three is Colgate-Palmolive, which washed its hands of Canada and its 240 workers and moved its production to the United States in September 1991.

The envelope please. The winner is Varity Corporation. This week's corporate carpetbagger is Varity Corporation.

* * *

PUBLIC SERVICE

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, I rise today to pay tribute to the men and women who are working at the Canada Employment Centre located in Portage la Prairie in the heart of Manitoba.

The 26 workers at the Portage CEC know the needs of the citizens of Portage. Not one of them went on strike. The needs of the citizens of Portage are their priority. How did the PSAC union view their commitment? The PSAC union has already placed the Portage local in trusteeship and is proceeding with decertification. Union bosses of PSAC care not for legitimate causes, they care only for themselves.

Have courage, Portage Canada Employment Centre workers. The union bosses might oppose you, but Canadians are on your side. Thank you for serving Portage la Prairie and for serving Canada.

The Order of Canada award goes to persons who have made a significant commitment to our nation. I believe that the Portage la Prairie CEC deserves the Order of Canada for their moral stand against the recent PSAC strike.

* * *

[*Translation*]

MONTREAL'S ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I have risen many times in this House to point out the deplorable state of the economy in the Montreal area.

For two years, the Conservative government has told the people of Montreal and the whole province that it was doing all it could to revive a declining economy.

Today, we learn that Quebec is not receiving its fair share of federal contracts. Quebec has 25 per cent of the Canadian population but receives only 18 percent of federal contracts. This injustice costs Quebec $350 million. It will not help regions like eastern Montreal, with 37 per cent jobless, and the Gaspé, with 27 per cent unemployed.

Madam Speaker, at a time when we are trying to keep this country together, it is important for the federal government to distribute its contracts fairly to all regions of the country.

* * *

COUP IN HAITI

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, after 30 years of dictatorship under the Duvaliers, we hailed the arrival of democratic government under Jean-Bertrand Aristide.

The recent coup in Haiti dismays the international community and we must ensure that democracy triumphs by making it possible for President Aristide to return to power as soon as possible.

Canada, which has long done much for Haiti, can play a leading role in giving back to the Haitian people the right to freedom and social justice. I trust that sending a delegation from the Organization of American States to convince the military to withdraw from power, the suspension of diplomatic relations and the reduction or even cessation of economic relations with that country will end the coup.

Madam Speaker, Canada must help restore democracy to Haiti.

* * *

SENIOR CITIZENS

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, I would like to inform the House of a resolution proposed by Gertrude Lacoste and adopted by the seniors' council of Montreal—Lac Saint-Louis, which I strongly endorse.

I would like to quote this resolution: "That the government and people of Canada send a resounding message in favour of national unity to the seniors of this country.

Older Canadians built our nation and we maintain a firm personal commitment to the principles and values on which our society is based, as well as to the mutual respect, understanding and reconciliation needed to help us overcome our present constitutional differences."

* * *

[*English*]

PUBLIC SERVICE

Mr. Ross Harvey (Edmonton East): Madam Speaker, it will be hoped by all fair-minded Canadians that the government will be tolerant in its use of the back to work legislation provisions determining precisely when Public Service employees must be back on the job today.

Due to the rather unique circumstances surrounding the bill's passage at 7.51 last night, notification of employees was not possible in many circumstances and there was great confusion over when the 12-hour limit in the bill would expire.

On behalf of all fair-minded Canadians, we would urge the government to be lenient in its enforcement of this provision.

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[*Translation*]

GOVERNMENT CONTRACTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Madam Speaker, this morning we heard that Ottawa awards 50 per cent of its contracts to Ontario and 18 per cent to Quebec. For instance, we have the case of the 25 top research contracts at the Department of Supply and Services. Dalhousie University: 16 contracts worth $2 million; Ottawa: 34 contracts worth $2 million; Toronto: 317 contracts worth $35; York, 86 contracts worth $34 million; and none for universities in Quebec.

Tory members from Quebec who say they stand a better chance of making gains for Quebec by staying within the Conservative party are insulting the intelligence of Quebecers. They are there only for their own personal gain. The statistics are clear, Madam Speaker. It has become increasingly obvious that Quebec has no future within Canada. It has also become increasingly obvious that the Tory members from Quebec are not doing their job.

* * *

THE CONSTITUTION

M. Vincent Della Noce (Laval-Est): Madam Speaker, since our Prime Minister, the Right Hon. Brian Mulroney, tabled in this House a document on the renewal of this country: *Shaping Canada's future together*, I have made it my business to ensure that every one of my constituents is informed of these proposals which are a starting point for the debate.

Once again, the Prime Minister has opened given Canadians new hope for the future, and at last this country will be at peace with its Constitution. I am not afraid of how Canadians will react. I am confident the response will be constructive and that at the end of this national debate, we will have a better knowledge and a better understanding of this country.

I want to take this opportunity to express my appreciation for the excellent work done by one of the artisans of this attempt to save our country, a man I admire because he respects Quebec, the Right Hon. Joe Clark. I am happy to announce that on October 10, I will have the honour and the privilege of receiving the Right Hon. Joe Clark in Laval at a dinner organized in co-operation with the Laval Chamber of Commerce. At this dinner, Mr. Clark will speak on the Canadian Constitution and have an opportunity to dissipate any fears—

[*English*]

Mr. Speaker: The hon. member's time has expired.

ORAL QUESTION PERIOD

[*English*]

TRADE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Deputy Prime Minister and Minister of Finance.

The government keeps saying that we are out of the recession, but on every front the economy is reeling: grain farmers, fishermen, Imperial Oil, Consumers Glass, small business and now 4,900 jobs at risk at de Havilland.

By tomorrow night American threats to our forest industry which employs almost one million Canadians could be felt throughout the nation.

Does the Prime Minister have a promise from the President that the United States will not take action again Canadian softwood lumber producers?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as the hon. member knows, the MOU expires at midnight tonight.

We have served notice in the appropriate fashion as is our right under the provisions of the MOU. Obviously the U.S. will be contemplating whatever action it may or may not wish to take.

I would suspect that we will have an indication as to whether or not it will take any action with regard to this later on this afternoon, at which time we can respond in an appropriate fashion.

• (1420)

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary is for the same minister. This government's economic policies have already crushed Montreal's economy. Now the Canadian forest industry is being crushed by high interest rates. Softwood exporters are being crushed and the workers have the right to know whether or not the Prime Minister has obtained a formal guarantee from the President of the United States that there will be no punitive tariff on softwood exports. Did the Prime Minister obtain a commitment from the President of the United States on that or not?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I indicated to the hon. member the process which is contemplated and is followed under the provisions of the MOU. Whatever action is taken or contemplated would obviously have to be consistent with international trade law and we will have to wait and see if in fact there is any action contemplated by the United States administration. If action is taken, the Government of Canada will respond as necessary and appropriate.

In regard to her allegation on interest rates, Mr. Speaker, interest rates have declined by 560 basis points, that is 5.6 per cent since the high of May last year. I am sure the hon. member would find it pleasing to note that the bank rate dropped another 13 basis points today.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, that is obviously too little, too late, for more than a million Canadians who are trying to find work.

Some hon. members: Hear, hear.

Ms. Copps: Six years ago the Prime Minister said this in the House about the great deal on de Havilland:

> We want to make the best deal for the Canadian taxpayer, secure those jobs and that technology in Toronto and that is what we have done.

I would like to ask the Deputy Prime Minister what he has to say today to those 4,900 workers who have been sold out by the policies and the trade actions of this government.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is really unfortunate that the hon. member cannot stand good news. We have had four consecutive months of growth in the economy after a recession that was more severe than we expected. I remind the hon. member that Canada is not the only country that has experienced a setback in economic growth.

Canada is emerging from a recession, recovery is on the way, we have had a growth rate of 4.9 per cent in the second quarter, we expect growth to continue in a moderate way, we want that growth to be sustainable, and we want it to be achieved with price stability.

That is our goal, Mr. Speaker, and we are on the right track.

[*Translation*]

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I too have a question for the Deputy Prime Minister. Yesterday, the Minister for International Trade told this House, about the lift of the surtax on softwood lumber, and I quote:

> It is our judgement that there will not be a 301.

We heard that the Americans are threatening to retaliate today or tomorrow. Here is my question: what contingency plan does the government have in place to prevent yet another disaster from crippling the Canadian lumber industry?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member has evidence that the United States is going to take action under 301 perhaps he would like to produce that evidence for the House.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I was asking the Deputy Prime Minister if the government had a contingency plan in order to counter what the Americans may to do tomorrow afternoon.

During the free trade debate this government told Canadians time and time again that we would get secure access to the U.S. market. The memorandum of understanding on softwood lumber violates the spirit of the free trade agreement.

Again my question is for the Deputy Prime Minister. Did the Prime Minister get a guarantee from President Bush that his administration would respect the spirit of the free trade agreement and would not take punitive action so as to not totally destroy the Canadian lumber industry.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member asks a hypothetical question. His first question asked what the government would do now that the United States imposed an action under 301. I asked him if the United States was imposing an action under 301 to give us the evidence. Hon. members on that side of the House want the United States to engage in imposing a countervail or a 301. We chose not to.

I should also remind the hon. member that under the free trade agreement we do have secure access, and furthermore we have a binational dispute solving mechanism that puts Canada on a fair and equal footing with its largest trading partner.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment who yesterday fudged the issue of cabinet approval for U.S. nuclear submarine activity in Dixon Entrance which is the richest fishing grounds in Canada.

Another cabinet document stamped secret says: "A Governor in Council decision is soon going to be announced regarding the transit of nuclear submarines through Dixon Entrance." In this same document the minister is warned by the director general of operations that what the cabinet is doing is illegal.

Would the minister explain why he appears to be participating in an activity which his own director general has found could be illegal?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, this is the second day in a row that the hon. member has risen in his place and alleged things out of documents that we have not seen.

In fairness, if he expects us to answer questions on the basis of what these documents are alleged to contain or not contain, he should at least have the courtesy of showing them to us.

Mr. Jim Fulton (Skeena): A supplementary question, Mr. Speaker. These are his documents produced by his department and I assume he reads his mail.

This same secret cabinet document says: "The issuance of another Order in Council could draw undue attention to the use of this technique to avoid the application of the EARP."

Now that Canadians are aware that cabinet is teetering on the brink of breaking the law on behalf of the United States military, will the minister trigger a public review of this project or is he under orders not to do so?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, what the member is alluding to is under discussion presently between the two levels of government and, as far as I know, no announcement has been made. These are ongoing discussions between both levels of government.

As far as the environmental part is concerned, I would like to remind the hon. member that the ships and the type of activity he is referring to has been going on in our waters for well over 20 years as far as I know. There is a track record in terms of that type of activity.

When the final decision is made we will assume our environmental responsibilities as required by the different laws or policies that we have.

I think in fairness, if the hon. member is going to allege the contents of documents—and I do not want to play games with this and neither should he—he should at least show us the documents before he rises in his place in the House of Commons to ask us questions about it.

Mr. Jim Fulton (Skeena): Mr. Speaker, a final supplementary. I am perfectly prepared to table these documents today. What this government does not seem—

Mr. Dick: You know you're not allowed to do that.

An hon. member: We don't want it now.

Mr. Fulton: Oh, you do not want it now, eh?

Mr. Speaker: The hon. member for Skeena.

Mr. Fulton: A supplementary question, Mr. Speaker. This government does not seem to have learned anything from Kemano, anything from the Oldman, anything from Rafferty–Alameda. What the people of British Columbia want is a public environmental assessment of nuclear submarine activity in Dixon Entrance. That is only fair and just.

My final supplementary is for the Minister of National Defence who met with Miles Richardson, the president of the Council of the Haida Nation, Chief Michael Nicoll from Old Masset and myself this summer on the Queen Charlotte Islands.

I would like to have the minister explain to this House why, according to this same document, his department is demanding that there be no public review of nuclear submarine activity in B.C. waters on the grounds of national security?

I believe this is a cover–up simply for the accident record of these subs which since 1983, have had 12 groundings, 50 collisions, 113 fires, 14 onboard explosions and 31 crew suicides. Is that not what you are covering up?

• (1430)

[*Translation*]

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, obviously, this is a current issue for public opinion. The Canadian government will decide on the basis of its legislation and in keeping with Canadian traditions, Mr. Speaker.

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[*English*]

SMALL BUSINESS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Finance.

Today the Canadian Federation of Independent Business released a survey which showed that more than one–third of small businesses in Ontario will be considering moving their operations to the United States, putting at risk more than 500,000 jobs.

The federation blamed the Ontario NDP budget, but it also said that small business in Ontario, and I quote: "was already under siege from a high dollar, high interest rates, the GST and the recession".

Will the minister remove this siege he has placed on small business in Ontario? Will he reverse these harmful Conservative policies right now?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, perhaps I can help the hon. member in correcting his interpretation of the news release I have in my hand which says that: "Startling results from a current survey reveal that more than one–third of the small business sector in Ontario, 36 per cent, report that they are considering moving all or part of their operations out of the province, thereby putting at risk, 500,000 jobs". It does not say a thing about the federal policy. It is a reference to the policies of the NDP government in the province of Ontario.

Hon. Herb Gray (Windsor West): Mr. Speaker, I invite the Minister of Finance to look at page 2 of the release that says: "The CFIB's Vice President and Chief Economist, Catherine Swift, said that 88 per cent of those small business owners who were considering moving all or some of their operations from the province, cite the United States as a preferred place to relocate". That is an exact quote.

I repeat to the Minister of Finance. Catherine Swift has said that small business people are planning to move because they are already under siege, and I quote, "from a high dollar, high interest rates, the GST and a recession".

I ask again, why does the Minister of Finance want to carry out policies which will precipitate this potential horror story for jobs and business in Ontario and, therefore, all of Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, perhaps I might ask the hon. member a similar question. Why is this same phenomenon not taking place in the provinces of British Columbia or Alberta? The reason is right in here, and I quote: "It is very clear that the Ontario government's policies and its over–all disdain for economic logic and business reality have become the major concern of small business", said Catherine Swift.

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DE HAVILLAND

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Acting Prime Minister.

Yesterday, the minister for industry washed his hands of responsibility for de Havilland, metro Toronto's largest industrial employer.

Like it or not, this government is responsible for the fate of de Havilland. This was the government that gave de Havilland away to Boeing along with $60 million and did not even get any job or production guarantees.

De Havilland's 4,900 workers have a right to know from this government if their jobs are secure. Will this government change its mind? Will it commit itself to the future of de Havilland?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, it is interesting that the hon. member would not recall the exact state of de Havilland when the sale to Boeing took place. There are a lot more people working at Boeing now than there was working at de Havilland then.

As far as recent events are concerned, of course we are not happy with what has happened to the deal. It would have been better if the deal had gone through. Everybody in this House agrees with that. This is a problem that Boeing itself is going to have to resolve. We stand ready, as we always have done throughout all the negotiations, to help Boeing in any way we can in whatever deal it would like to bring off with other people.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the minister is telling the House that the government is not going to take a lead in ensuring the future of Canada's leading aircraft producer.

Surely the decision of the European Community did not take this government by surprise. The European action was launched four months ago. The government has had four months to contemplate alternative action.

What de Havilland and its 4,900 workers need today is certainty. It needs an answer today. I ask the minister again. Will the government commit today to ensuring the future of de Havilland as a leading aircraft producer?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, it is well known that other companies have had an interest in Boeing.

Those other companies were not able to move as long as this particular deal was on the table. If this deal is off the table, those other companies may now come back into the picture to resolve the situation. We have always stood ready to try to help in those negotiations.

TRADE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is directed to the Deputy Prime Minister.

When the softwood lumber tariff memorandum of understanding was brought in by this government in December 1986 the Social Credit government and the Prime Minister said the deal was great for Canada and B.C.

Their enthusiasm for this sell-out of our forest industry cost thousands of jobs, particularly in B.C., Quebec and northern Ontario. Given reports of possible retaliation by the United States, can the Deputy Prime Minister assure this House that unlike the last time, the government will not cave in and sell out to the U.S. again?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I think the hon. member is aware that the MOU was not considered to be a permanent fixture. It was put in place to ensure that appropriate offsetting measures could be instituted and most important, so that any countervail or duty would remain in Canada.

I think it was a logical move and a logical step in the right direction. We now sense that conditions are normal, that trading patterns should be resumed on a normal trading process and we think the time for the MOU to expire has come.

We believe we are on solid ground, and whatever action the United States may or may not take, we can respond in an appropriate fashion based upon international trade laws.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, when this government sold out the Canadian forest industry workers, it codified the softwood lumber tariff and the Softwood Lumber Products Act. This legislation gave the government the authority to impose the tariff.

My question is for the minister. Will he repeal this legislation so that Canadians can be assured that this government will not reimpose a tariff? Will he table in this House the list of questions that the U.S. posed to this government and tell us what the answers were?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not sure whether I grasp the hon. member's rationale.

If we had not agreed to an MOU, we would have seen $400 million flowing out of the country. As it turned out, under the auspices of the MOU, the $400 million remained in Canada in the hands of the provinces.

Perhaps, Mr. Speaker, he might want to check with his friend, Jack Munroe, who not only believes that we did the right thing at the time we put the MOU in place, but he also believes that we have done the right thing in terminating the MOU. He may want to check with him after Question Period.

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OIL AND GAS INDUSTRY

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

He will know that there is approximately $60 billion invested in Canada's oil and gas industry. In calendar 1991 the entire industry expects to net about $200 million which would be about a .003 per cent return on invested capital.

He will know that the number of Canadians working in the industry has dropped from 140,000 in 1985 to about 80,000 today. What basis of substantive hope can he offer a vital Canadian industry?

• (1440)

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member raises points that I discussed with representatives of the Canadian Petroleum Association as recently as two days ago. I have had similar discussions with other members in the oil and gas industry.

One or two points become very clear when I speak to them. They understand the cyclical nature of the industry. They also know very well they do not want the intervention that once marked the federal government's oil and gas policy. They definitely do not want to see artificial incentives brought back into the industry which, while it might give us some activity in the short term, does not help us in the market in the long term.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my supplementary question is for the Minister of Finance. The minister will know—he has been told day in and day out here—of the economic grief sweeping Canada because of the high dollar.

The western oil and gas industry, the coal and forestry sectors have indicated recently that our 88 cent and 89 cent dollar is wreaking havoc on them. He also knows that the Bank of Canada has intervened to keep the dollar up recently.

Will the minister tell us why his government is not prepared to persuade the bank to bring the dollar down.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member is advocating another Liberal national energy program, I would like to see what he has to propose because it is obvious that is where he is coming from.

An hon. member: That is still their policy over there.

Mr. Mazankowski: With respect to his comments regarding the intervention of the Bank of Canada, I think what he is referring to is what was reported in the press today. The action of the Bank of Canada is not unusual. This is quite normal practice. The Bank of Canada intervenes when it is necessary to ensure that there is a stable market and not erratic fluctuations.

It should also be noted that the Bank of Canada did not intervene to stop the decline in interest rates, it merely tried to moderate the decline so that we can maintain a steady decline of interest rates on a sustainable basis. I think that is what the hon. member is in favour of and that is certainly what we are in favour of on this side of the House.

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FISHERIES

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Mayor of Black Tickle in Labrador has confirmed that fishermen in that community are without food—without food—in Canada in 1991 because they cannot qualify for welfare. They cannot qualify for unemployment insurance.

Through no fault of their own, they are in dire straits. Why is this government refusing to take the window of opportunity? Why is it not responding to the extreme urgency of the need of fishermen along the Labrador coast? Why is it not announcing an aid program today?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. member knows that this matter has been worked on now for some weeks. An announcement is imminent.

I agree with him that the situation in Labrador is simply deplorable, that the fishery there was a complete failure. Of course the hon. member knows and understands that the fishermen in Labrador as well as along much of the rest of the northeast coast received ice compensation until well into August. There will be an announcement shortly on what other efforts are going to be announced in order to assist them now and during the winter. I hope it will not be very much longer.

Hon. William Rompkey (Labrador): Mr. Speaker, I know the minister understands the situation, and I know there has been compensation and I give him credit for that. So let me tell his cabinet colleagues that the reality in Labrador is that you cannot do anything in November. Winter is coming on. If you do not have a work program in Labrador now, you cannot help those people. Time is of the essence and aid delayed is aid denied. You have to announce a program for Labrador this week. Will you do it?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. member and myself understand the situation perfectly. I hope it will become clearer to many others.

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CANADIAN BROADCASTING CORPORATION

Mr. Rod Murphy (Churchill): My question is for the Minister of Communications. The minister is no doubt aware of reports that further drastic cutbacks to the CBC may be coming. English and French FM stereo networks, regional suppertime hour news programs and the virtual shutdown of CBOT Ottawa and CBWT Winnipeg could be the next victims. In the case of Winnipeg, CBWT is the only CBC station for all of Manitoba.

Will the minister guarantee that these services will not be cut and specifically that there will continue to be full regional services in Winnipeg and Ottawa?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, as the hon. member and all members of the House will know, the CBC has an arm's length relationship with the government. It is the board of directors of the CBC which has the responsibility for planning the activities of the CBC.

Hon. members opposite would be the first ones to complain if the government were to do away with that arm's length relationship.

What is important however is to recognize the fact that the CBC has taken no decisions at this point with regard to how it should be doing its planning for the future. With regard to the budget, the government continues to look at the situation, to see what sort of a situation it is facing. We are working together with it.

The important thing, Mr. Speaker, in responding to the hon. gentleman, is to stress the fact that there is an arm's length relationship. It is the responsibility of the CBC, and not of the government, to take decisions with regard to precisely where operations will exist.

Mr. Rod Murphy (Churchill): Mr. Speaker, the minister does not reassure us very much. First of all, he says that it is an arm's length relationship and then he says that we are working close together with the CBC. In addition to that he says that the CBC has not made a decision yet.

I remind the minister that in the case of Windsor and Calgary the decisions were made effective that day. Will the minister at least guarantee the people of Winnipeg and Ottawa that there will be prior consultation with the employees and their communities before there are any cutbacks?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the hon. member raises apocalyptic scenarios. He is asking first of all that I reach into the CBC and give instructions to it as to what it should be doing in such and such in a particular location.

If I were to do that the very first member of this House who would be on his feet to object would be the hon. gentleman opposite. He would be saying I would be involving myself politically in the internal affairs of an arm's length corporation of Canada.

What I did indicate to the hon. gentleman is that we are working with the board and with the management of the CBC to address its financial concerns. I want to continue to give that assurance to the House and to the Canadian people, but we will be doing so on the basis of the arm's length relationship.

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AIRLINES

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I have a question for the Minister of Transport and it concerns Worldways Canada Ltd., now known as Worldstar. The airline ceased operations a year ago. An application to restart the company was filed with the National Transportation Agency in May of this year. More than 1,000 jobs are at stake. Many of these Worldways employees are my constituents.

I ask the minister on their behalf, what is the status of the application of Worldways to the NTA and when can these people find out what the future holds for them?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I can assure the hon. member that we are concerned about the future of Worldways and its employees.

As required by the regulation, the restructuring plan was submitted to the NTA which ruled that it did not meet the contents of the Canadian requirements for ownership. Worldstar was instructed to reapply if it had new facts. A reapplication was made and again it did not meet the requirements of NTA.

If there are new facts that can be brought before the NTA to meet the Canadian requirement, the NTA will revise the matter.

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RAILWAYS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Transport. CN has decided that it is going to privatize the rail line between Sydney and Truro, Nova Scotia, because it is just too far away from its comfortable offices. It is making money so it cannot be abandoned. It found that if it refused to market the line and actually discourage business it still made money. So now it is to be privatized.

I want to ask the minister to stop this injustice. When is he going to tell CN not to sell this railroad?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, as I have mentioned many times in this House, CN was given a mandate to be as commercially profitable as possible. In the discharge of its obligations it is at the present time examining the possibility of selling that railroad. No decision has been made. CN is examining the possibility. If a proper bidder is found it will require that the line be maintained to properly service the customers on that line.

• (1450)

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, when a Crown corporation is making money Canadians have the right to receive service from that Crown corporation. It is their Crown corporation and it is making money.

Why is the minister not listening to legitimate concerns of eastern Nova Scotians and why will he not tell CN not to sell that railroad?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, simply because I think that the most important thing is that the people and the clients of the railroad in that area are served to the best level possible. The question is not who will do it, but how will it be done in the best interests of the customers.

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ORDER IN COUNCIL APPOINTMENTS

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I want to ask the President of the Treasury Board to explain to the House, as he has explained to me, why procedures are being followed this year, as they were followed last year, to give bonuses to Order in Council appointments. Last year they came about in the month of December.

Why are these procedures being followed this year, the same as last year, in view of the hon. minister's statement in the House last week? And for what period of time do these bonuses apply?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Now the facts. Of course bonuses are a complex issue and I am not surprised—

Some hon. members: Oh, oh.

Mr. Loiselle: I will have to threaten the hon. member with removing him from my Christmas card list if he keeps asking this question.

I will be very clear. It is very simple. At the end of a particular year unionized employees get a salary. Managers and some Crown corporation officers get a salary and they get a bonus. At budget time we decided that one year would be a zero year; unionized employees will get zero salary increases; managers will get zero salary increases, and managers will get zero bonus increases.

Mr. George S. Baker (Gander—Grand Falls): In other words, Mr. Speaker, over 1,000 Order in Council appointments that make an average of over $100,000 a year in salary will again qualify for Christmas bonuses this year, some up to 25 per cent of their annual salaries.

I want to ask the government how it, in all good conscience, can sit in a cabinet meeting just before Christmas, after telling Canadians to tighten their belts, and approve these massive bonuses to highly paid people? Yes, fat cats, there really is a Santa Claus.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): I would like to remind the hon. member that the performance pay was put in place by the Liberal government.

Some hon. members: Oh, oh.

Mr. Loiselle: What was done was for the managers. Fifteen per cent of the wage budget was taken off and instead of going gradually in an increasing scale, we topped it off and we said we would evaluate them. Some will get zero, some may get 10. To my knowledge, nobody ever got 25. It is an outside committee which passes these judgments and usually the cabinet sits down and cuts it anyway.

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CROSS-BORDER SHOPPING

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Minister of National Revenue and it pertains to the matter of cross-border shopping.

In the past when the minister has been asked in this House about the effect of the GST on cross-border shopping, he has stuck to the increase in the number of trips that Canadians have been making across the border, which have increased in and of themselves, but has never gone to the heart of the matter which is how much more Canadians are spending when they make those trips.

Statistics Canada collects that kind of information. The information we have is that those figures show there has been a dramatic increase in the actual spending by Canadians, something in the neighbourhood of 57 per cent.

I want to ask the minister if he has seen those figures and, if so, why does he continue to talk only about trips and not tell Canadians the whole story about how the GST has affected cross-border shopping.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I am surprised at that question coming from an hon. member who knows better. Statistics Canada hands out all the facts, all the statistics and we on this side of the House, as opposed to some members on the opposite side, support those statistics 100 per cent and talk about them.

The last time this issue came up in the House, Statistics Canada made it very clear that the introduction of the GST played a minor role, a very minor role, in the increase of cross-border shopping, both in terms of trips as well as in terms of dollars.

We consider cross-border shopping as a very serious problem. That is why we are working with the provinces, with the private sector, with labour, with the Retail Council of Canada, to move in the right direction that would make Canadians more competitive and allow Canadians to shop in Canada rather than south of the border.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, if the minister is so confident in the Statistics Canada data, would he undertake to instruct Statistics Canada, or to have the appropriate minister do so, to publish all the figures so that we can compare oranges and oranges, and apples and apples, first quarter with first quarter, last quarter with last quarter, spending with spending, trips with trips, and all the things we need to know in order to make a true measure of what the GST is doing to cross-border shopping instead of having the minister get up and selectively cite statistics with respect to trips and not with respect to over-all spending.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, that question is an insult to Statistics Canada which is internationally recognized as one of the top statistical organizations in the world.

You should stand up on your feet and apologize to Statistics Canada—

Some hon. members: Oh, oh.

* * *

THE CONSTITUTION

Hon. Alan Redway (Don Valley East): Mr. Speaker, my question is for the Acting Minister responsible for Constitutional Affairs. The government has proposed that the federal government get out of all its existing and future housing programs and turn the matter over exclusively to the provinces.

Is it the government's intention also to provide the provinces with additional taxing powers or alternatively additional federal funding in order to allow them to continue on the national housing programs within their own jurisdictions?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the hon. member will know, the proposals for constitutional reform have as one of their main themes the rationalization of the operations of different levels of government to ensure that services are provided by those levels of government closest to those being served and at the present time most of the housing services themselves are being provided by provincial and local governments.

If the proposal that is put forward is part of this large package of rebalancing is accepted by the committee, that would be followed by negotiations with the provinces to determine the appropriate modalities of devolution.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Minister of Communications. In the past, the minister vehemently denounced federal propaganda practices in the late 1970s and early 1980s. Yet today he is in power, and we are witnessing the CBC recycling old directives from 1978 with respect to the constitutional debate. They are now asking journalists and media people to apply a double standard, that is, on one hand, to emphasize the benefits of the status quo, and on the other, to denounce the costs and consequences of constitutional reform.

• (1500)

For the sake of freedom of information and so, the real Canada can show through, is the minister prepared to immediately withdraw that directive reminiscent of the witch hunts of the past?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the CBC has one responsibility and it is to ensure that its reports are completely accurate and that its comments made are fair and impartial. That is their mandate and that is what they do.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary question. If the minister has bothered to read the Corporation's directives, he will know that they are applying a double standard: on the one hand, the reports must emphasize the advantages of federalism and, on the other, they talk about the costs and drawbacks of constitutional reform. Can the minister, who should have a sense of fairness, not see that there is a double standard, that it is not right, and that it is not in accordance with the criteria that he just defined himself? Should he ask the CBC to do away with this procedure that is totally unacceptable in the 1990s?

[*English*]

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the responsibility of the CBC, whether the French language arm or the English language arm, is to ensure fair and accurate coverage of the news and of public affairs. That is its duty. It is one it discharges with distinction. Throughout the whole of the constitutional debate that is the direction in which it will be going. It is obligated under the Broadcasting Act to do precisely that.

Point of Order

The difference between the hon. member and those of us on this side is that we want to see improvements made to Canada. He would like to see Canada destroyed.

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PUBLIC SERVICE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the President of the Treasury Board, the minister responsible for the zero per cent increase for Public Service Alliance members.

I want to ask him very clearly: Will the presidents of the CNR, VIA Rail, Canada Post and other big-wigs get a Christmas bonus this Christmas?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, these chairmen will be treated as everybody else. They will get no salary increase for 1991-92 and no bonus at all for 1991-92.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the minister has not answered the question.

[*Translation*]

Will the chairmen of Crown corporations receive a bonus in December? I am not saying: "Are they going to get one for this year?" Will they get extra money or not? That is what we want to know!

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to be very clear on this. The chairmen of corporations, like the union members, will get exactly the same treatment, even more so in that they will have no salary increase and not one penny in bonuses for the 1991-92.

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[*English*]

PRESENCE IN THE GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Geza Jeszenszky, Minister of Foreign Affairs of the Republic of Hungary.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I again ask the regular House business question. Could the minister indicate what the business will be for tomorrow, Monday, Tuesday, and the remaining part of next week?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, today is an opposition day. On Friday, October 4, it is our intention to call Bill C-30 regarding mental disorder for completion at second reading and Bill C-27 having to do with foreign missions for completion at all stages.

On Monday, October 7, it is our intention to call Bill C-3 regarding the Real Property Act for completion at second reading and Bill C-18, income tax technical amendments, also for completion at second reading.

Discussions will continue along usual channels to arrange business for Tuesday.

It seems at this point that we might call Bill C-33, the Coastal Trade Act, for second reading on Tuesday, Bill C-23, the Wheat Board Act, for completion at second reading and, Bill C-16, the Agriculture Marketing Board Act, for completion at second reading. We will be in the usual discussions for the business for the rest of next week.

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POINT OF ORDER

CONFLICT OF INTEREST GUIDELINES

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, will the government House leader share with members of the House if there is any movement with regard to the subject matter of conflict of interest in terms of what the government intends to do in terms of an all-party committee which may be struck in order to further examine ways in which this particular institution, as well as the Upper House, may be monitored pursuant to the conflict of interest guidelines?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have put proposals to the opposition parties as well as to the other place for the establishment of a joint committee of this House that would take the subject matter of a conflict of interest bill that was before the House in the previous session, as well as taking it upon itself to examine how this issue was handled in other jurisdictions such as the United Kingdom and other nations with political systems similar to ours.

It would be my hope that this committee could look at that and come back with recommendations that would be tantamount to a bill that we could put before the House and deal with this matter, hopefully with some degree of finality.

The government does not come to it with a fixed position in mind other than recognition that we are all members of Parliament and members of the other place in a situation in which we must satisfy our publics that we recognize the requirement that conflict of interest be dealt with and in a formal, legal fashion. Beyond that we would await the advice of that committee and except for keeping the natural obligation of having the Department of Justice examine and write the bill so that it stands up to the legal requirements of our system, it would be my hope that in essence the House of Commons and the other place in committee would provide the fundamentals of a conflict of interest position that we could all agree to.

Mr. Dingwall: Madam Speaker, would the government House leader just perhaps elaborate. I am not asking for a fixed commitment, but in the discussions of this particular subject matter, assuming that a bill would be tabled by the committee itself on the subject matter, would he explore the real prospects of perhaps having on that particular piece of legislation an opportunity for members to exercise their rights and remove the party lines in terms of our whips and have a free vote on the subject matter on the floor of the House?

Mr. Andre: Madam Speaker, clearly the question of party lines only comes to play when you are talking about an initiative from the government and very specifically this initiative would be from Parliament. This question of how it is handled is something I certainly will look at in discussion and I do not come to it from a perspective of assuming that it is going to be a government bill, quite the opposite.

This issue affects all of us equally on both sides of the House as members of Parliament and we have to, somewhere between the two extremes, assure that there is absolutely never a conflict of interest nor apparent conflict of interest, and somebody has even suggested nowadays the standard is a possible apparent conflict of interest or, on the other hand, a situation in which it is recognized that conflicts of interest are a part of life, but that they should be open and obvious so that people can make their judgments as to whether that conflict of interest has caused the member to act in an inappropriate fashion.

• (1510)

Between those two extremes perhaps we can find some accommodation that will meet the standards of Canadian citizens and enable this House both to operate and to ensure that we can attract in future quality men and women who are needed to ensure a successful Parliament.

Mr. Dingwall: I have one final question for the government House leader. I wish to thank him for his intervention. I wish to offer to him that we would be favourably disposed in terms of the way in which he has outlined a process in terms of the conflict of interest. My colleagues from Ottawa—Vanier, Kingston and the Islands and our critic from Glengarry—Prescott—Russell would certainly want to be very involved in that particular process.

I am wondering, since I have got the government House leader's attention, if he has given any thought to the prospects of the committee which will review the subject matter including members who are Independent members. I know that he cannot include them all. We would have members from the three main parties, but there are also Independent members in this House.

I think to be fair to Independent members, wherever they come from, whatever region of the country they come from, we might want to try to involve them in the process as well so that there will be a complete legitimacy of Parliament working on a subject matter which has profound consequential effects on each and every member in this House, and likewise in the other House.

Would the government House leader entertain that possibility?

Mr. Andre: I have no difficulty with that suggestion whatsoever. If this is going to be successful, it will provide for input from everyone who has an interest in the subject in this House.

My only qualifier is as one balances off representation and so on one gets to a size of committee which becomes unworkable. As Parkinson said, once a committee passes 20 it effectively goes into the control of the executive of the committee. To make sure it is a group that can work I would like to have the committee small enough so that it can be effective and that everyone who has an interest in it has an opportunity to participate. I am sure we can work out the modalities of that.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, the questions from the House leader of the Official Opposition are welcome on this topic. I enter the debate only to say that I seemed to hear the House leader saying that in order for something to be considered as the object of a free vote, it would have to be seen as not being part of the government's agenda but coming from Parliament.

If I recall correctly, the conflict of interest legislation and the proposal to do something about the lingering problem of conflict of interest was in the throne speech and was therefore part of the government's agenda and part of the platform on which the government seeks to curry support among the Canadian people.

I ask the government House leader to consider, because I know he has commissioned a paper in this regard with respect to free votes, that it is not only those things which are seen as coming from Parliament, somehow independent of the government, but also maybe some things which come from the government that may be subject to a free vote of the government's own members. That, it seems to me, is the direction in which the debate about free votes is going.

It is not just a question of private members or things that do not originate with the government but about giving government backbenchers some freedom with respect to a wider range of government proposals, which up until now at least conflict of interest legislation has been.

Mr. Andre: Madam Speaker, this is an interesting subject and perhaps we should set aside a day some time to explore it further.

My interest in this regard in the comments I made to the House leader of the Liberal Party was to reflect merely the fact that for conflict of interest legislation to be effective, if that is what results on the recommendations of the committee, it should reflect the views of the House and not the views of the cabinet.

The problem we have dealing with the notion that the hon. member talks about is our adversarial system. Any time a government proposes something, the opposition feels obliged constitutionally to oppose. May I humbly suggest I welcome the day when the New Democratic Party and the Liberal Party participate and take responsibility for some of the positive actions that occur and not simply be in the position of opposing everything.

For example, the hon. member's party and others have been suggesting we should be providing help to farmers, fishermen, and those in need. I agree and I look forward to the day when they stand up in the House and say they agree to raising taxes to fund these activities.

That will be the kind of co-operation from both sides of the House that will make this institution work in a way that the public of Canada would appreciate.

An hon. member: A point of order, Madam Speaker.

Madam Deputy Speaker: I will recognize the hon. member in a second. I would just suggest to members that we are getting into a debate which is not on orders of the day.

I am the servant of the House, but I wanted to remind members of the time and that some members have asked for the floor to render a tribute to a departed parliamentarian.

Mr. Blaikie: Madam Speaker, I am sorry that what could have been a useful preliminary discussion about free votes was turned into a sort of partisan opportunity by the House leader.

The fact is, and he knows this well because he has been here longer than I, that there have been occasions in which governments, opposition and third parties have agreed on things. He knows also that this discussion about free votes is one that we want to have precisely so that we can get out of the adversarial system which he laments and yet which he just employed in order to avoid answering the question I put to him.

Mr. Andre: With due respect, I did not avoid answering the question at all. The hon. member talked about why I think it is appropriate to proceed in this manner for conflict of interest and why I think a free vote situation is appropriate.

I am trying to suggest that if the government sat down, wrote up a conflict of interest bill and brought it to the House constitutionally the opposition becomes opposed to it. That is the way we operate. That does not mean at the end of the day that it is not supported.

The role of the opposition is to criticize, point out weaknesses, et cetera. I am saying that on this issue in particular perhaps we could work together since we are all in it together and at the end of the day we could vote in that fashion.

You are right. I have a paper coming on free votes. We are committed to proceeding in that direction as a government and more will be happening in that regard.

I also have to say that free votes is not at the root of excesses in our adversarial system. There are other things and we need to look at those as well.

Mr. Dingwall: Madam Speaker, I have a last comment. I believe my colleague from the New Democratic Party has said it well. I have attempted to say as well as to the government House leader that there is a disposition now, as we viewed from the comments of my colleague from the New Democratic Party, to sit down and discuss the process, the intricacies of this particular matter, in terms of conflict of interest for members of Parliament.

I think it would be a good beginning. I want to thank hon. members to my left, as well as the government House leader, for entertaining some of the suggestions that we have made. We look forward to further discussions later this week, perhaps, and early next week so that we can consummate something on the subject matter before too long.

* * *

THE LATE SENATOR HAZEN ROBERT ARGUE

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Madam Speaker, I would like to rise and pay respects to the late Senator Hazen Argue.

Senator Argue served the area that I served as a member of Parliament and I remember with a great deal of appreciation, especially his kindness to me as a new member of Parliament.

Senator Argue served his country for 43 years. That is a long time. He was always a defender of the farmers. If I may add a personal note, I recall being chairman of the task force on drought and shaking in my boots facing 1,500 farmers.

• (1520)

Senator Argue rose and he really broke the ice. I will never forget what he said. He said: "The experts told you farmers to buy more land. The experts told you to buy more machinery. The government told you this and it was my government that did it". The farmers just broke up.

He was always very kind to me as a new member of Parliament. He served the people well. He defended his constituency, and to Jean and the family we send our sympathy and the respect of the government for his long years of service to Canada.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, on behalf of the Liberal Party of Canada, I rise to join in the tribute to the late Senator Hazen Argue and extend, on behalf of my colleagues and myself, our deepest sympathies to his wife Jean and members of the Argue family.

It is true, as the hon. member just said, that Senator Argue had a remarkable sense of humour and a very warm welcome for anyone he met. He served bravely and courageously the people of his province and Canada and helped promote a better understanding of the legitimate aspirations of Western Canada among people from various regions of the country.

I had the privilege of serving with him in Cabinet under the Right Hon. Pierre Elliott Trudeau. On several occasions I had the opportunity to hear and appreciate the strong stand Senator Argue took in Cabinet on behalf of Western farmers and the people of Western Canada in general.

Just recently, with Senator Fairbairn I had the pleasure of paying him a last visit in hospital while travelling in Saskatchewan. I will treasure the memory of this visit because, even on his hospital bed, his death bed, he kept showing his love of life, a remarkable *joie de vivre*. He had remained very clear-headed, in fact I noticed that he was still monitoring what was going on here, on Parliament Hill.

That is why, I am sure that, had Senator Argue been here today when the hon. member for Lambton—Middlesex put a motion concerning Canadian farmers, he would have risen with those of us who beg the government to do something to rescue the Canadian agriculture and protect Canadian farmers in the GATT negotiations in Geneva.

I think, Madam Speaker, that we are not about to forget Senator Argue and his contribution to Canadian life and politics.

[*English*]

Mr. Vic Althouse (Mackenzie): Madam Speaker, I rise on behalf of the New Democratic Party to speak in remembrance of Hazen Robert Argue, a man who was born, raised and educated in Saskatchewan.

He was a graduate of the University of Saskatchewan in agriculture and farmed at Ormiston. He was first elected in 1945 at age 24 to represent the CCF in the riding of Wood Mountain which later became Assiniboia. At the time he was the youngest MP ever elected.

I first met Minister Argue, known as "Blazin Hazen" to his constituents, at a district meeting of the Farmers' Union in southern Saskatchewan in the late 1950s. I was there with Roy Atkinson, a young vice-president of the union who later became president of the NFU.

That part of Saskatchewan was suffering from a drought and infestation of grasshoppers. Those topics dominated the meeting and one of the people who came and spoke very eloquently was Hazen Argue, the local member of Parliament.

Mr. Atkinson and I were joined at lunch by Mr. Argue. Conversation turned to agricultural policy and the future of agriculture, not the dismal immediate future but the long-term hope for farming and farmers and things that could be done.

A long time later, in the summer of 1984, I remembered again my first conversation with Mr. Argue. My last long conversation was in the summer of 1984 when the same three people met by chance in the airport in Toronto. We were all awaiting flights out to the west and we got talking. Mr. Argue had just been let go from cabinet. Our conversation again turned to the short-term dismal future of agriculture. It was a drought year again in southern Saskatchewan. The same long-term hope and unreasonable optimism that pervades Saskatchewan farmers' conversations came out. I remember just before he got on the plane, the last thing he said was: "Well, I hate to be kicked out of cabinet, I hate to lose the job, but it gives me a chance to go home and watch the grandkids grow". It is to those grandkids and their fathers and mothers, the two daughters and the son and their spouses, and especially to Jean that our thoughts go today.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I too would like to add my personal sympathy to Jean Argue and her immediate family and her extended family.

When I first came to Ottawa in 1979, whether it was in caucus or in other meetings, Senator Hazen Argue was one of the first people to come, extend his hand and welcome the new members, and I will never forget that.

I saw the greatness of the man when we were passing the western transportation bill, known as the Crow bill. We spent a lot of time in Saskatchewan. I see my colleague nodding his head across the aisle here. We travelled through the small towns and talked to individual farmers and big agricultural organizations. Everyone knew Hazen Argue and everyone had something positive to say about Hazen Argue.

I know that he will go down in history as making his mark on the growth of this country. My personal contact with him remained even though I was defeated. Senator Hazen Argue still kept in touch. He still had a special interest in members who were newly elected here and he was always there to offer a guiding hand.

Again I extend my sympathy to Jean and her immediate and extended family. He will be missed and he certainly made his mark on this country.

[*Translation*]

Madam Deputy Speaker: I wish to thank hon. members who took part in this tribute, and I would also like to offer, on my own behalf and on behalf of all members, our sincere condolences to the bereaved family.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—AGRICULTURE

The House resumed consideration of the motion of Mr. Ferguson (p. 3200).

Madam Deputy Speaker: I will recognize the hon. member, but I had to check whether the member who had the floor at 2 p.m. was still in the House.

Resuming debate, for ten minutes. The hon. member for Papineau—Saint-Michel.

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, in the 1970s it was Liberal governments who created marketing boards to protect Canadian farmers and, at the same time, ensure that Canadian consumers would have access to an abundant supply of high quality farm products at competitive prices.

It is important to recall that one of the greatest achievements of the Liberal government was the creation in 1975 of the Canadian Dairy Commission. Some 16,000 Quebec farmers annually receive a guaranteed income under this program.

• (1530)

Over the years, the program was refined and improved, and it became so popular among farmers that the Tories decided to renew the program for five years. Unfortunately, the program's continued existence may be at risk as a result of the current GATT talks. The government has not only failed to defend the interests of Canadian farmers, it is also, as was explained this morning by the hon. member for Lambton—Middlesex, trying to hide the truth.

The Prime Minister and his Minister of Agriculture are looking the other way, while the Minister for International Trade is selling out Canadian and Quebec farmers in Geneva.

Quebec farmers who put their trust in the Prime Minister must realize he could not care less what happens to them. I think this is quite clear if we consider the question put by my colleague, the hon. member for Gatineau—la Lièvre, on September 24. The hon. member asked the Prime Minister, and I quote:

> Given that the survival of agriculture, especially for joint plants in Quebec such as the one for the dairy industry, is based on the principle that production costs will be taken into account and farmers will have a reasonable income, can the minister or the Prime Minister assure farmers that this essential criterion will always be maintained for our farmers?

The Prime Minister's answer was, and I quote:

> Mr. Speaker, if my hon. friend wants to know whether there is anything in the proposals tabled this morning to —

He stopped, and then went on.

> If the question is whether we will maintain our previous programs in spite of the document tabled this morning, the answer is yes.

The Prime Minister was referring to the tabling of the document on constitutional reform. I realize the Prime Minister may be totally absorbed by the constitutional question, but that is hardly a reason for assuming the hon. member for Gatineau—La Lièvre was talking about the constitutional proposals, not the GATT talks, and answering that the constitutional proposals had no connection with the problems of Quebec's dairy farmers.

To help the Prime Minister, I prompted: "It isn't about this morning's document, it's about the GATT talks". Then he made a quick recovery and said, at page 2633 of *Hansard* and I quote:

> My hon. friend from Papineau, who is also an expert on agriculture—

—those were the Prime Minister's very words—

> —tells me that this issue is mainly up to GATT. That being so, I would be pleased to answer a supplementary.

So my colleague from Gatineau—La Lièvre did ask a supplementary question:

> The Quebec farmers' union, the UPA, is very concerned about their future because the Minister of Agriculture is always talking about productivity without considering production costs. That concerns them and they would like to have an answer about it.

Here is the Prime Minister's answer:

> Mr. Speaker, productivity applies to everyone. But mentioning productivity in no way undermines the ability of the UPA or its members to meet the competition that they face now. Nothing was said or done to keep farmers in Quebec or elsewhere from maintaining their production.
>
> The Canadian government—
>
> —this is the gem—
>
> —will try to find new markets for them.

Very clearly, the Prime Minister did not know what he was talking about then. Very clearly, he misled the hon. member for Gatineau—La Lièvre, although unintentionally, I think, by telling him about something completely unrelated to the GATT negotiations because, as my colleague from Lambton—Middlesex said this morning:

[*English*]

"If the government supports Article XI, which allows countries to limit imports when they have a system of production designed to meet only domestic needs, why are they now concerned with finding new markets for dairy farmers? The answer is simple". And I quote my colleague: "I do not believe they intend to support article XI at the GATT. Why else would the dairy farmers need the government to find them new markets?"

[*Translation*]

Obviously, as my colleague rightly says, the government has absolutely no intention of protecting farmers and supporting Article XI; otherwise, the Prime Minister would not make an issue of finding new markets for milk producers. And come to think of it, where will we sell the wheat, butter and all the dairy products that are already in such oversupply? One of my colleagues said, "Eastern Europe". They already produce those things over there; they do not need our Canadian production. Europe has a massive surplus of these products. I will remind the hon. member that we already imported dairy products from Poland. So we cannot send them over there; they can send us some here. We must product the markets that we have in this country.

What is serious—and I conclude with this—is not just that dairy farmers are threatened by the GATT negotiations in Geneva, but also everyone at the egg, chicken and turkey marketing boards. If the government does not fulfil its responsibilities and does not properly defend the interests of its farmers in Canada and Quebec, the whole future of agriculture is in danger. That is why I am pleased to speak in this debate and to support the motion of my colleague from Lambton—Middlesex.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I missed the beginning of the speech of the hon. member for Papineau—Saint-Michel who, on top of being an expert on agriculture, as the Prime Minister mentioned, is the Liberal critic for External Affairs.

Could the hon. member for Papineau—Saint-Michel tell me how he perceives the European countries which, as regards the GATT, are more inclined to support an American proposal on tariffication? Tariffication, is a new buzz word in the GATT negotiations.

Also, is the hon. member for Papineau—Saint-Michel aware that Canada, as a member of the GATT, finds himself in a rather lonely position in his fight with the farmers, with the agriculture ministers, and with the president of the UPA, who is presently in Europe? We reassured him. We want to keep the supply management system for milk, eggs, poultry and other products. However, as a central state and a member of the GATT, we must obviously also think of the grain producers and other goods that are not subject to quotas.

Is the hon. member aware of that? What would he do, today, if he was taking the place of the Minister of Agriculture in Geneva, at the GATT, as regards this concept of tariffication? Would he be rather in agreement or in total disagreement with the European countries who want to support the American position concerning tariffication rather than article XI of the GATT?

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, obviously once again the US government is dictating its will to the government of Canada. This time, they would want us to believe that, while the European countries might be prepared to make some concessions, they will do so at the expense of their own national farming industry. I can assure the hon. member that the French, German and Italian farmers will have their governments stand up for them.

• (1540)

The question right now is who is defending who? The government of Canada, instead of always obeying the orders of the US government and be its puppet, should stand up at the GATT negotiations in Geneva and protect the interests of Quebec farmers and all Canadian farmers.

In response to the question of the hon. member, this tariff approach could work in Europe, but not at all for the Quebec dairy producers. Once the Quebec farming industry will have gone belly up, it will be too late. The hon. member and her Prime Minister will have failed to fulfil their responsibilities.

Mrs. Bourgault: Mr. Speaker, the hon. member for Papineau—Saint-Michel, is a smart politician indeed and very good at dodging the question. I will ask him again. The Canadian government is facing problems with the GATT, we must live up to our commitments regarding contingency but, at the same time, it is our duty, as a government, to protect non-contingency production. In that context, when we seek to strengthen Article XI of the GATT agreement, we come up against new difficulties relating to the export of non-contingency products.

We have made it clear, Mr. Speaker —and I might add that our jobs are at stake, as someone mentioned earlier—that we will protect the Canadian farming industry. There is no doubt about that! But would the hon. member tell me how he can reconcile the two when the European countries would prefer instituting a tariff policy rather than strengthening Article XI of the GATT, which is our choice as a country?

Mr. Ouellet: Mr. Speaker, it is obvious that at the current GATT talks the Canadian delegation is now on the sidelines.

The talks took the turn they did because today, interests other than the interests of Canadian farmers have prevailed. I want to repeat to the hon. member that even if she proceeded to name all the reasons the Europeans have given, this would do nothing to advance the cause or the interests of Canadian farmers.

I would prefer to see her over there, explaining what has to be done to protect Canadian and Quebec farmers, than listen to her here in the House, trying to convince us that the Europeans are right about their new tarification. Go tell them Quebec farmers won't buy it!

Mr. Gaby Larrivée (Joliette): Mr. Speaker, I cannot believe my ears!

Mr. Speaker, I welcome this opportunity to speak in the debate today on the opposition motion that the government "must immediately provide Canadian producers, operating within these supply management sectors, firm assurances that it is seeking and will continue to seek the strengthening and clarification of article XI of the General Agreement on Tariffs and Trade".

First of all, I feel I must comment on what was said by the hon. member for Papineau—Saint-Michel. I was not impressed when he told us that the interests of Quebecers were not safe with the Prime Minister, especially when we consider how safe they were when the hon. member's party was in power.

We won't get into that today, but just the same, the record was not impressive.

Mr. Speaker, what my hon. friend opposite fails to understand and may not realize, is that the whole strategy and the proposals tabled at the GATT talks were developed by the agricultural sector and the government. The proposals were approved and the offer made to GATT, on that basis. I think it is wrong to say that the interests of our farmers and producers are not being defended as they should be, since our producers were involved in preparing these proposals.

Mr. Speaker, perhaps it would be useful to comment on what the government has done in the past few years to cope with current and future challenges.

I agree, Canadian agriculture is facing unprecedented demands, but it is also being offered a wealth of new opportunities. Never before has there been such tremendous pressure for change and adjustment. In response to these pressures, in 1989 the federal government, in co-operation with the provinces and the private sector, launched the most exhaustive study of agro-food policies and programs ever undertaken in the history of Canadian agriculture. We have worked very hard on clarifying and revising the rules of international trade under GATT.

Canadian agriculture must maintain its position at the forefront of this sector, both nationally and internationally. The changing tastes of consumers, advancing technology, the globalization of markets and environmental concerns made this review necessary.

We did all we could to avoid a dialogue of the deaf and set up a vast nationwide consultation process to include governments, farmers, everyone involved in the food chain, and of course consumers and other interest groups in setting the framework for a national agricultural policy. We therefore asked all participants to put their ideas on the table, to put their differences on hold, to say what they thought and to listen to what the others had to say. They were then asked to see the process through with us. And I wish to assure you that we have no intention of going back on our commitments.

Thus the federal and provincial agriculture ministers agreed in July on a series of decisive measures for the future of the agri-food sector at their annual meeting in Kananaskis, Alberta. These changes, from second-generation supply management systems to increased industry participation in agriculture policy development, will begin the next stage of the Canadian agri-food policy review.

The systems now in place are viable and can be effective, but they will have to change to improve. They must be more market-sensitive, more independent and more responsive to regional diversity. Supply-managed sectors should design and operate their system while respecting the environment. Supply management policies must help and not hinder the development over time of a more competitive sector.

• (1550)

Canada's international trade policies must continue to allow us to operate our supply management systems effectively. With this in mind, Mr. Speaker, the Canadian government took concrete action by tabling a proposal in Geneva in March 1990 to strengthen and clarify article XI of the General Agreement on Tariffs and Trade, GATT.

We wanted, among other things, to define precisely what effective government control of supplies meant, to determine the products eligible for import quotas on the basis of their manufacture, in whole or in part, from a fresh product whose domestic supply is controlled, to clarify the administration of import quotas and to impose export limits on products subject to supply management when import quotas apply to the same products.

Last October, after consultation and receiving support from the industry and provincial governments, the Canadian negotiators tabled legal wording to be included in our GATT proposal.

Well, Mr. Speaker, as the Minister of State for Agriculture, Mr. Blais, told the press a few days ago, Canada has not changed its position on article XI of GATT one iota. The government has promised to defend vigorously the Canadian supply management systems and we remain just as determined to do so.

In fact, Mr. Blais is presently in Geneva. Earlier, our colleague was blaming us for discussing this motion in the House instead of being in Geneva to negotiate. Well, we have our negotiators and our Minister of State, Mr. Blais, is presently in Geneva where he will meet, among others, the GATT Director General and Chairman responsible for negotiations on agriculture, Mr. Dunkel, to discuss those negotiations.

The minister will then go to Paris where he will meet Mr. Jacques Proulx, the president of the Union des producteurs agricoles du Québec, to discuss the state of the GATT negotiations.

Also, the Minister of Agriculture, Mr. McKnight, met yesterday with the European Community commissioner for agriculture and rural development, Mr. Ray MacSharry. They discussed the multilateral trade negotiations, including the desastrous effects of the subsidy war on the Canadian agri-food industry. The minister also stated Canada's firm intention to seek re-enforcement and clarification of article XI of the GATT, as well as ensuring a fair implementation of the GATT rules on agricultural exchanges.

As you can see, Mr. Speaker, this government does not intend to leave anything to chance, nor does it sit on its laurels or rely on others to protect the interests of Canadians abroad.

In the document on Canadian federalism and economic union that was made public last week, the Government of Canada proposes that article 121 be updated in order to facilitate the mobility of people, of capital money, of services and of goods within Canada, by prohibiting the federal government and the provinces from passing legislation or implementing programs or practices that would create obstacles or restrict such a mobility.

Some think that the marketing boards are threatened by such proposals, since those boards would be a barrier restricting the circulation of goods and services. I want to emphasize here that the marketing boards serve other purposes regarding the foreign markets. Any amendment to the clause dealing with the common market must not be detrimental to the equalization programs or regional development, nor to any program classified as an exception by Parliament in the national interest. In short, we are saying that the national interest will prevail and that we are intent on using that clause in the case of marketing boards. It is also in that perspective that the Castonguay-Dobbie Committee was set up by the government. This committee will study every aspect of the Canadian economy so as to ensure that, after adequate consultations, the decisions made will be based on the national interest.

To demonstrate its support for marketing boards, the government intends to give second reading to Bill C-16, which seeks to amend the Agricultural Products Marketing Act. These amendments would give provincial marketing boards and other agencies additional powers to enable them to have a more concerted approach and thus improve the marketing of their products on interprovincial and international markets.

We know how important the supply management system is to the dairy co-ops in Canada. Its implementation enabled us to stabilize the economy of that sector and to ensure an adequate supply of high quality dairy products to Canadian consumers, at affordable and stable prices.

I am almost finished, Mr. Speaker. As regards the Canadian dairy policy, this government took, in 1985, the necessary measures and will keep working in the same fashion.

I am convinced that, through consultations, we will find ways of making more competitive those sectors where the supply is regulated. There is a vast consensus on the need to change the system. Working groups on the dairy and poultry policies, as well as independent studies made by consultants, have all come to that conclusion.

So, Mr. Speaker, allow me, in the few minutes that I have left, to simply reassure the Canadian producers and in particular the producers in my riding of Joliette, about the firm intention of my government to continue in the direction that it has been following for at least two years, to cooperate with the agricultural industry and all the stake holders in order to set policies and strengthen our external policies—the proposal is being examined today at the GATT—, and to ensure that our producers will be adequately protected within our contry, while at the same time having access to external markets.

It is very important to protect them—we know that, we see it and we know what the Western producers are presently going through because of the war between the United States and the Europeans, in particular the French—and it is precisely in order to improve their fate that we are working, at the GATT, to create a much more lucrative and appealing market.We must put an end to this impossible and very harmful price war throughout the world, while at the same time protect our marketing boards and our producers.

Even though we hear all kinds of comments to the contrary here, I believe that our producers—in fact we had the opportunity this week to meet several of them—are aware of the initiatives taken by Canada and they support these initiatives. There is no doubt that we will continue to work towards that goal, and we hope to get our position accepted in this country and at the GATT. Our position is very well balanced and would guarantee brighter days to our agricultural producers.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I want to compliment my colleague. Since his time ran out or so he thought, I would like this House, the Canadian people watching us and above all the farm producers in our ridings to hear him again.

• (1600)

The member for Joliette comes from a most prosperous farm area where tobacco growers have experienced certain problems in recent years. However, I am sure that the vitality of the growers will see them through these hard times. Could the hon. member tell us how producers, at the local farm board level, are reacting to this new threat regarding GATT tariffs? What Canada wants instead, what we want as a nation, Mr. Speaker, is the strengthening and clarification of article XI of the GATT agreement to prevent dumping of foodstuffs in Canada. We want to put and end to the unstable economy of our producers who have worked so hard to build a system for themselves these last few years. They work very hard, but at least they are guaranteed an income at the end of the year.

I would like the hon. member to tell us what we have been done these last two years to try and convince the European producers, the Americans, in fact all GATT members, that Canada has interesting policies which they should take as models and establish marketing boards in their countries and strengthen article XI of the GATT agreement.

Mr. Gaby Larrivée (Joliette): Mr. Speaker, I thank my colleague for her very interesting question. I think that we are going through a period of major changes, and our farmers' concern is quite legitimate. We have long felt the threat to our marketing boards. We recall the last election campaign when our farmers told us that they were very worried. Free trade with the Americans was the issue, but in fact the real threat was related to article XI of GATT.

Since then, we have worked and they know our position very well. We intend to spare no effort to protect a system that has served us well and should continue to do so. As I said not so long ago, we developed our whole strategy together, to make them more confident and especially to inform them of everything we intended to do. Together we developed the strategy to work out a proposal which, as I said, is very well balanced and should reassure them to some extent.

Of course, we are negotiating as one country among hundreds; we cannot expect our whole policy to be accepted and we are very well aware of the war now going on between the Europeans and the United States. We know that it is not easy. We spared no effort, we worked together. It was just mentioned that Mr. Blais was to meet Mr. Proulx in France tomorrow, I believe. We are working together. I think that in this way our farmers should be reassured and that we will see it through together. And I find it somewhat regrettable today that it has become a partisan debate in which it is suggested that the government is not doing everything required to protect farmers properly.

I think that instead of getting into a partisan debate, we should—I think that this is not the time for division. This would be the time for all parties to join with farmers and everyone concerned in agriculture to defend our interests. It is not a war between farmers and the government; it is an extremely important process for the future of our agriculture with foreign countries. I think that if all parliamentarians and the farming community join together, we will be in an even stronger position to have our position adopted. It is very well balanced and could ensure prosperity for Canadian agriculture.

[*English*]

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, this is an extremely timely and important debate. This motion is necessary because agricultural producers are losing confidence in this government.

What does the motion seek? What it seeks is very important. It seeks assurances from this government that it will do everything possible to support article XI of the GATT, that it will seek clarification of that article, and that it will seek strengthening of that article.

The motion seeks those things from the government because the very livelihood and the very future of supply management, the very future of dairy and poultry producers in this country, depend on the outcome of the GATT negotiations.

Let the record make it absolutely clear that if Canada caves in on article XI we will lose our dairy producers. We will lose our poultry producers. We will lose our egg producers. It is as simple as that. It will be the beginning of the end of an absolutely thriving and very successful industry in this country, an industry that will measure up against any other industry anywhere else in the entire world.

But the people who are in these industries are worried. They are sick of the possible prospect of the government caving in. That is why they are so worried and they have every reason in the world to be worried. Because, after all, we have to remember who we have over there in government. We have a Tory ideology that really does not believe in supply and management, a Tory ideology at the very base of all this that does not believe in orderly marketing.

I remind you, Mr. Speaker, and you will know this very well, that there was a resolution before the Progressive Conservative convention in the city of Toronto just this past summer. It was a resolution seeking support from supply and management and it went down to defeat. It went down to defeat. Little wonder the poultry producers and the dairy producers in this country are worried sick.

I do not have to remind you of how this government sold out Canada in the trade negotiations with the United States, the famous free trade negotiations. It sold us out. It sold us out. There is a lot of reason to believe that it will cave in again.

Oh, I know government members have given us assurances. They have given us assurances they are going to do their best. They are going to work hard and do everything to defend and strengthen article XI. But can we believe them? The Americans want to get their hands on article XI and want to destroy article XI. They want our market. Unfortunately, ever since we had this Prime Minister going back to 1984, every time the White House says "jump", the Prime Minister asks: "How high?" Whatever George wants, George gets.

How did we get the GST? How did the GST get its name, the GST? George said to, George said to. That is how the goods and services tax got its name.

• (1610)

We have a supply management system that is working extremely well. But if we were to cut out article XI and go for this tariffication system proposed by the Americans, the fact of the matter is our producers could not compete. There is no way they could compete.

Our producers have input costs that are much higher than those of their counterparts across the line in the United States. I just have to mention things like fuel, labour and things like that. The input costs are much higher on this side of the border.

Let there be no mistake about it. We have to preserve the industry. We have to preserve it. It is rather ironic that we are expressing concern for the industry at this particular time, because dairy and poultry are the most successful segments of our entire agricultural industry. They are. They are the most productive. They are the most stable.

Here we have on the other side of agriculture, grains and oilseeds in a lot of trouble, in a lot of trouble. We are trying to get help for them. Yet on this side we have dairy and poultry doing very well, thank you, and it is possible that the government may cave in and give the industry away. Does that make sense? I do not think it does.

This industry is extremely productive. My colleague from Lambton—Middlesex, who probably has as much expertise on this subject as anyone in the country, was pointing out this morning—and I want to point out again—that since 1971 the productivity in the dairy industry per cow has gone up 73 per cent compared to only 46 per cent in the United States and 3.5 per cent in the European community.

You can say the same thing for poultry. There is better egg production and they certainly have a better handle on disease control than their counterparts in the United States, a lot better. This is a productive and efficient industry. It is an industry that gives consumers quality, quality.

My colleague from Broadview—Greenwood was asking this morning in some of his remarks, and rightly so, what is in this for the consumer. He has a riding in Toronto full of consumers. I have a riding in Winnipeg full of consumers and I can understand a consumer's point of view when they say: "Well, what about this industry? Are we not already paying a lot in the way of food?"

Let me point out that when it comes to our disposable income, we spend about 11.5 per cent on food. We are probably about the second best country in the entire world when it comes to spending a portion of our disposable income, 11.5 per cent, on quality food.

Let me go on, because I know there are consumers who wonder about certain prices. Let me point out some prices to you. During the 1980s the cost of a box of corn flakes went up almost 100 per cent, about 94.5 per cent. The cost of a box of soda biscuits went up by 235 per cent, sweet cookies went up 135 per cent and cereals went up 194 per cent. As my hon. colleague points out, when those prices were going up, skyrocketing like that and the consumers were feeling it, what was happening to grain prices? They were going down. Farmers today are living with grain prices that their grandparents lived with back in the 1930s.

When the consumer looks at prices on the store shelf and expresses concern, and understandably so, do not blame the farmer. Do not blame supply and management. Those prices skyrocket after leaving the food processor. Those prices skyrocket after leaving the farm gate.

I just want to mention a couple of other points. The price of a litre of milk, for example, in the province of Ontario at the farm gate since 1980 has gone up 19 cents per litre. On the store shelf the price of a litre of milk has increased by 73 cents a litre or 97 per cent. I could go on and on and on comparing the prices that farmers and producers get with the prices that consumers have to pay, and over and over again the proof is there, that you cannot blame those consumer prices on the farmer. If there are unreasonable price increases, look at the people in the middle. That is where you should point your finger of blame.

I think I am running out of time. I just want to say over again that it is absolutely paramount for the future of supply management and the producers who work under supply management that we hold on to article XI. We remind the government that it must go to the wall on this article XI. It cannot be a party to any agreement that will cut out article XI.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, Canadians are saying—and I know the member is fully aware of it—that they are tired of highly partisan debates on subjects like this very important one.

Maybe if this House was made up of 50 per cent women those highly partisan debates would not take place. We would discuss strictly what is going on.

The member is suggesting that the majority of the members on this side of House who represent rural ridings in Canada are not supporting farmers.

This is a nonsense debate. I have to say this, Mr. Speaker. The Government of Canada is trying to strengthen article XI against the world. We have certain countries, but the Uruguay round now has its mind directed to new ideas of tariffication. We are opposed to this. We want to strengthen this and we need the Liberal Party behind us to support our farmers, not to say out of the blue that we are not supporting farmers of this country. The facts are there and I want the member to recognize that.

We are not perfect people, but we are there. We are trying to help. We need the members of the Liberal Party and the NDP to say to the world that article XI is needed. We deserve it and we want it to protect the farmers of this country.

Mr. Harvard: Mr. Speaker, I want to thank the hon. parliamentary secretary for the question.

I find it passing strange that at the very time when this government's agricultural policies are failing and agricultural producers in the country are losing confidence in the government, the parliamentary secretary pleads for understanding. She pleads for a non-partisan debate. Give me a break.

Here is a government that has been asked for months to provide emergency aid. Here is a government that promised farmers that it would tide them over when they moved from the old *ad hoc* system of payments to GRIP and NISA. Government members made a pledge and made a promise to farmers that they would fill the gap. They have not honoured that pledge and they have not honoured that promise. Why should we have any confidence in this government? The other thing is that the government reached an agreement with the United States in the FTA. There is an article in there which in effect says that each country would not raid each other's grain markets. The Americans have done it with their Export Enhancement Program. They have done it over and over again. What does this government do? Absolutely zero, zilch, nothing. It pretends the Americans do not exist or it pretends that the Americans are not doing anything. So why should we have any confidence in this government? The polls tell us that the Canadian people do not.

• (1620)

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I must thank the member for Broadview—Greenwood for letting me go ahead of him. The reason is that I have a wife and four children I promised to meet in 15 minutes. He has been very kind to let me go ahead.

We are debating my party's opposition day motion to the effect that article XI of the GATT in regard to supply marketing systems should be strengthened and clarified during the current Uruguay round of GATT negotiations.

Let me, perhaps foolishly, attempt to state briefly the essence of this issue to the supply managed sectors of Canadian agriculture: industrial milk, eggs, chickens and turkeys. It is true, speaking as a westerner, that many of our producers in the supply managed sectors live in central Canada. But in 1989, the year for which I could obtain the figures, western Canadians had the following national market shares of our supply managed sectors: chicken, 24 per cent; turkey, approximately 28 per cent; eggs, approximately 34 per cent; and milk, 20 per cent.

There are, for example, about 5.6 million broilers in Alberta and 5.2 million broilers in B.C. Manitoba, the home of the member who just spoke, has about 2.5 million laying hens and B.C. has 2.8 million of the same.

In short, the supply managed sectors of our four western provinces provide a decent and stable living and reasonable consumer prices to thousands upon thousands of western Canadians.

In essence, article XI 2 allows for the existence of farm marketing boards in a country without violating the provisions of the GATT.

My understanding from the most knowledgeable Canadian expert on trade matters, a former GATT negotiator on the Tokyo and Kennedy round negotiations, is that the current Uruguay round of GATT negotiations will in all probability soon result in the removal of article XI from the GATT. If so, in consequence our provincial and national supply management boards will soon fold for violating the current GATT.

The trade expert friend to whom I referred a moment ago assures me that in reality, the long-term viability of most of these various boards, provincial and federal, has already been dealt a fatal blow by the particular wording of the Canada-U.S. Free Trade Agreement. Canadian food processors are increasingly relocating to the U.S. where most food products can, for a variety of reasons which were mentioned by the member who just spoke, be bought more cheaply than here and then exported back to consumers in Canada through retail food outlets.

If however GATT removes the article XI exemption, the present cabinet in Canada can attempt to blame the GATT member nations for the demise of our marketing boards, which will be a very misleading conclusion to draw.

Why, one might ask, are the GATT member governments, approximately 100 of them, now likely to approve the removal of article XI? In essence, it appears that both the current U.S. administration and the European community member nations have no further interest in keeping it on the books, so to speak.

The U.S. government dislikes supply management on ideological principle grounds. My trade friend believes that the European community member governments have simply and finally—one might say it sure took a long time—had enough of seeing 75 per cent of the European community budget go each year to the Common Agricultural Policy, CAP.

A constellation of other interest groups in Europe, environmentalists, workers needing retraining and poorer European community members like Portugal and Greece have recently carried the day. Wealthy farmers on the Paris plains and others have simply lost the campaign to maintain the European community's mega-subsidies on agricultural production.

The good news for the world, really, is that a very large GATT agricultural deal is in the works. It will be the biggest agricultural deal since 1957. It is likely to be announced shortly, thereby saving the current Uruguay round which, as everyone knows, has become beached on the agricultural rock.

My trade expert friend believes that a 35 per cent cut in the European community support prices for cereals which will bind the GATT and an over-all drop of about 35 per cent on export subsidies for agricultural exports are coming very soon, within a matter of weeks.

A new and better arrangement on GATT dispute settlements is also likely to emerge. There might also be a framework agreement on services. I remind you, Sir, that about 64 per cent of Canadians work in the service sector, so that would be a very good thing.

In short, it will be a minor or a major GATT miracle with good results for all but our supply managed and much abused farm communities.

I would answer with this. Today in Canada each farm family across the nation feeds approximately 65 non-farm families. That is in the parliamentary secretary's riding. It is in virtually every riding in the country which has farmers.

For virtually all of our farm families across Canada outside the supply managed sector, one or more of the spouses are required to work off their farm to feed their own families. Is that not disgraceful?

Somebody put it very well recently. "Our farm fields of dreams", she said, "have become acres of despair". Those opposite, if they run true to form with respect to article XI will see our remaining healthy sectors under supply management reduced to the squalor that affects so many other sectors.

Shame on those opposite who represent in this place the views of a few thousand wealthy residents primarily of Toronto and Montreal.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, the now Liberal member who used to be a PC member in this caucus knows very well that the Progressive Conservative government of Canada supports farmers, is there to help farmers, and that the actual third level of revenue systems is on its way to being dealt with.

It takes a certain amount of time I know, and I am fully behind the farmers in western Canada. I remember when I sat on the agriculture standing committee that one day farmers from around Regina said to me that because of the despair and the low revenue of the farmers, family violence was emerging from among the agricultural sector which was not there before.

I was very concerned about this, given the fact that the farmers of this country are family oriented people. The emergence of family violence is a damaging factor.

I want to ask the member this. He is speaking about non-contingency agriculture that absolutely needs to export. On the other hand, Canada is faced with the reality of a supply management market which deserves to be kept in place because it helps. We know the difference.

He pointed out very well that if you are in agriculture in a contingency situation, you work as hard as the others but you are in a better situation than if you are not. This is one of the realities and I want to ask the member what should we be doing now to have both realities of farming in this country.

• (1630)

[*Translation*]

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, with all due respect for the hon. member opposite, I think that she seriously misunderstood what I said.

I said that there is presently a crisis in the non-contingency sector across the country. I wish she had come along, just a few days, when I campaigned for the Liberals in Saskatchewan. She would have seen the poverty, the hardship and the distrust of the farmers of this province which is so important to us.

Since the hon. member is from Quebec, I would like to quote some figures regarding her province, if I may, Mr. Speaker. Of the 300,000 farmers across Canada, there are 41,000 in Quebec. They represent 26.4 per cent of our farm population, but own 40 per cent of the Canadian dairy industry, with their 500,000 plus dairy cows.

In Quebec, as she certainly knows, there are 3.8 million chickens and 15 million broilers. So, how can she be telling her constituents, from the riding of Oka I believe, that if my friend and myself are right, she will give these farmers another chance at a decent income and having a decent standard of living?

I know that she just loves the Canada-United States trade deal. I used to be a member of her caucus. Is she under the impression that farm products regulatory boards are better than FPAs? That life is getting easier for these farmers and her constituents? I think that, in all honesty, she will have to say no, Mr. Speaker. She must tell her constituents and that this trade deal has been a disaster for thousands and thousands of farmers in Quebec.

Mrs. Bourgault: Mr. Speaker, listening to opposition members makes me think that they must surely pray to the Lord every night to sit on the opposition benches when the time comes to make difficult decisions. They must surely be glad to be on the other side and always contradicting what the government does.

I asked the hon. member what he would do if he were sitting at GATT in place of the ministers who have to protect two agricultural sectors, one subject to quotas and the other not, in a world that exports, that buys and sells. Could he give me in writing his vision of what the minister could defend at GATT?

Mr. Kilgour: Briefly, Mr. Speaker, I would tell her to read the motion we are debating today.

I think the reality, Mr. Speaker, is that those groups, as I said, who represent the opinions of the wealthy in Montreal and Toronto, must understand one thing: they are eliminating the protection as such for farmers in Quebec and the rest of Canada, first, because of the trade agreement with the United States, and second, with its position on GATT now—which is not stated publicly, of course—but because of its position in GATT now in the Uruguay Round.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I appreciate the opportunity of participating in this debate. In my riding of Broadview—Greenwood there are very few people who really understand what supply management is all about. I will take the words of the Parliamentary Secretary to the Minister of Supply and Services when she said earlier in this House today that she felt uncomfortable that we seemed to be taking a partisan approach in this debate.

I have been listening to the debate since my colleague, the hon. member for Lambton—Middlesex started earlier today and quite frankly I did not detect that tone of partisanship that she referred to. I have not detected anything in this House today that would suggest that we on this side of the House do not share the commitment that I hear from the government side today that it wants to keep the current supply management system in place.

In fact, earlier in the day I rose and addressed the Parliamentary Secretary to the Minister of Agriculture, the member for Huron—Bruce. I complimented him on the hard work he has done not only in his riding but throughout the world. I have been with this man when he has travelled and worked on behalf of Canada and I think he has done a terrific job.

What we have here in this country today is a genuine crisis of confidence. Also, there is a feeling out there that politicians in general are not trusted, not just politicians on the government side, politicians on this side.

As my hon. colleague mentioned this morning, this round of GATT we are heading into is an historic round. It is going to be a very complex round. We are in the middle of one of the most vicious trade wars that has ever happened in the history of the world.

When we have farm rallies coast to coast, the likes of which we have not seen in many years, it would be absolutely irresponsible for us on this side of the House not to put forward the views of all of those constituents who are concerned about the resolve of the government, concerned about whether or not it is going to take a firm stand. They are concerned about that because there have been incidents in the past where the trust that the government has been given has been shaken.

I am not saying that trust given to Liberals in the past has also been shaken, but we are not talking about the past right now, we are talking about the present, and we are talking about a very important up and coming meeting.

Our responsibility on this side of the House is to make sure that the French, Germans, Italians, and everyone who is present at that round understand that it is not only the position of the Government of Canada but it is also the position of the opposition that we want the current supply management system to be in place and we are in fact united on that point.

The other point that we have to raise in this House is the fact that this is not just an issue for those people who actually live and work on the farms. In my riding there are over 300 restaurants. The restaurants in my riding are the primary employer. They employ not only on a full-time basis, they employ on a part-time basis, and we depend on quality food, security of supply, and on stable prices. Make no mistake about it, Mr. Speaker—

Mr. Della Noce: I'm hungry.

Mr. Mills: The hon. member for Laval-Est just mentioned that he is hungry. Whenever you are in Toronto, you are welcome in the riding of Broadview—Greenwood, Queen Street, the Danforth Drive. Please come. You are welcome.

• (1640)

Whenever I get a chance to speak here today on national television, I am not too shy about promoting my riding and the great restaurants that we have. You are all welcome.

The bottom line, Mr. Speaker, is this is not just a rural issue. This is an issue for those people who live in urban areas. As I mentioned earlier, last January when I had the opportunity to speak at the Soviet-U.S. citizen summit on the environment, and I was there for a few days, I had some spare time to walk around Moscow and visit some of the grocery stores. We in this country cannot imagine the desperate state that the people are in in terms of food supply in a place like Moscow. They start lining up for their food supplies at seven o'clock in the morning.

It was embarrassing for me to see senior citizens with their brown sacks lining up for food. What was more embarrassing was to go into these stores and see the quality. Never mind the fact that the supply was virtually limited, it was the quality.

We in this country are blessed with not only quality food, we are blessed with security of supply. We are also blessed with the second best food prices in the world. That is something that we take for granted.

We take for granted the life of someone who lives on a farm. How many people have ever thought about what it is really like to live on a farm? In Toronto the only real reminder that you have about what a farmer's life is all about is if you get up early in the morning, and some mornings I get up early, and turn on radio station CFRB, which is one of our larger stations. At five o'clock in the morning you hear the news for the first five minutes and after that, for the next 10 minutes, you hear the farm report.

That is the last you hear of it. Why? Because a farmer gets up at five o'clock in the morning. He works until six o'clock at night. He works seven days a week. Very rarely do they get a day off. Then they have problems like lack of rain and, therefore, the crops are in trouble. Too much rain and they have got a problem. Try and find people today who want to work on a farm.

We in this country have, I believe, one of the finest farm systems that exists anywhere in the world. One of the reasons why we have that farm system is because our farmers have had a system that has allowed them to produce quality food with stable prices. We as Canadians have benefited from that from all walks of life, from all regions of the country from coast to coast, to coast.

I cannot believe that anyone in this House or anyone in this country does not believe that we as a country must have an image, must have a strength to show that we are a nation that measures our strength by the mouths we feed, not only here but all over the world, a nation that measures our strength at the same time by the environment we protect.

I want, and I have less than a minute left, to try and give one constructive piece of advice to the Government of Canada. It said earlier today that it is going to the GATT round committed to keep the supply management system in place. I mentioned this last week to the Minister for Grains and Oilseeds.

It is no good to communicate our problem just to those officials and just to those politicians who attend that meeting. Go over the heads of those officials and go over the heads of those ministers of agriculture and go right to the people of Europe. Take some of that money out of the envelope that is promoting Canada's 125th birthday and put it into communicating some of the concerns that we in this country have and some of the necessary things that we have to do in terms of protecting our environment with farmers, not only in Europe but here, so that we can get through this crisis together.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I want to congratulate my colleague from Broadview—Greenwood for his excellent remarks. As an urban member, he has taken a very deep interest in agriculture. We really appreciate that because this debate has taken on a new tone of interest in both urban and rural Canada, and that is precisely the way the issue should be.

My hon. colleague talked about his restaurants and the quality of their food and of course the production of food within Canada generally. He realizes that in order to keep up this quality and quantity of product, we are going to require great negotiating skills as well as negotiating tools in the present GATT rounds. Therefore, some things become very important.

In terms of skills, I have not heard too many compliments in the House today about the way this issue is being handled. Second, with regard to negotiating tools, the Minister for International Trade, as was so aptly put forward this morning by the hon. member for Lambton—Middlesex, stated that each nation participating in the GATT round had to submit the amount of money that was being spent on programs to support agriculture in the various countries, and $8.8 billion was submitted as the figure going into agriculture and government programs here in Canada, a totally inflated figure, and then $2.2 billion going into the dairy industry of Canada. That is another totally inflated figure.

I want to ask the hon. member who has just spoken: if we are going to win this debate, why are we giving away tools such as that? Why are we inflating those figures? Surely we are providing an argument for the other countries to use against us. Has the government not shot itself in its own foot on behalf of the agricultural community of Canada?

Mr. Mills: Mr. Speaker, I wish I had an absolutely sure reason why the government seems to from time to time play gymnastics with its figures. I really do not have the answer to that.

It seems to me that part of the reason why we have this tension in the country today is that if we play gymnastics with figures too often, the trust factor breaks down. That is probably the greatest reason why we have a crisis today, not in terms of just the agricultural community, but in every other sector. There is not a sector of our economy today that does not feel the lack of trust. Trust is the central issue now in public life. Nothing else really matters.

I believe that because of the intensity of this debate today, we are saying to the government that we trust you so that when you go to these GATT rounds in the next short period of time, you will live up to the commitment you made in this House today, and you better not come back with an empty basket.

I repeat, I believe that if we can send a signal to people that we want to be a nation that measures our strength by the mouths we feed not only here and abroad, but also that we are a nation that is concerned about our environment, I believe that if we put that message into the GATT negotiations, we can maybe put pressure on some of those European countries which are ignoring some of those environmental regulations.

• (1650)

Maybe we can get them on focus, and that will put a more balanced approach to this agricultural problem.

The Acting Speaker (Mr. Monteith): I have received written notice from the hon. member for Trinity—Spadina that he is unable to move his motion during private members' hour on Friday, October 4, 1991.

It has not been possible to arrange an exchange of positions in order of precedence pursuant to Standing Order 94(2)(a). Accordingly, I am directing the table officer to drop that item of business to the bottom of the order of precedence.

Pursuant to Standing Order 94(2)(b), private members' hour will thus be suspended, and the House will continue with the business before it prior to private members' hour.

Mr. Rex Crawford (Kent): Mr. Speaker, I am very pleased to rise in the House today and speak in full and complete support of the motion put forward by my colleague, the hon. member for Lambton—Middlesex.

The member and I go back many years in both politics and agriculture, more years than I would like to admit to, and I am proud to support the motion of the member whose riding borders on mine in southwestern Ontario.

This morning the hon. member from Elgin—Norfolk in debate and in answering questions—I did not have the opportunity to question him—stated that he had replaced the Hon. John Wise who was then Minister of Agriculture. He referred to the hon. minister as the finest agriculture minister the Progressive Conservative Party ever had. He was a gentleman, and I support those views 100 per cent. In the riding of Kent we always held the Hon. John Wise in the highest esteem. I remember the hon. minister making a statement that if the marketing boards were ever to weaken he would resign. In September 1988 the Hon. John Wise resigned.

Later today I hope to get the opportunity to ask the hon. member for Elgin—Norfolk that question. This time, I am speaking on article XI of the GATT.

As everyone involved in agriculture is aware, the current GATT talks will in large measure determine the future of farming and marketing boards and supply management as we have known it in Canada. The director general, Arthur Dunkel, has fixed a wheat deadline to produce a final framework. A complete GATT package should be reached in early November.

The vast number of subsidies for agriculture by the European Economic Community is the main stumbling block. The EEC proposes to cut internal support by 30 per cent over a 10-year period while considering to increase markets by only 3 per cent.

The EEC countries will not accept a complete elimination of support or even a 70 per cent or 90 per cent reduction for which the United States is calling. Canada wants 100 per cent elimination of all existing export subsidies over a 10-year period.

The real issue on all these complex negotiations is our government support of supply management. Is it firm? As my colleague for Lambton—Middlesex has outlined, he believes that a deal has been reached that would include the tariffication of article XI of the GATT.

This would have serious negative effects on supply management in Canada. We have the best marketing systems in the world and nothing should jeopardize Canadian agriculture.

Supply management is based on three fundamental pillars: import restrictions, adequate price and production control. Our supply management system must be maintained and improved by the GATT talks.

Our system has brought stability for both producers and consumers. Canada's egg, poultry and dairy producers firmly believe that any final agreement not meeting that bottom line should be rejected.

Given that the government says it is committed to its supply management system in Canada, does the government recognize that to be viable and effective border protection is needed to ensure that imported products do not undermine our own production or returns?

As well, we must have firm border protection while allowing us to export. The inspection side of Port Huron, Michigan is staffed 100 per cent by full-time inspectors. What is the situation on the Canadian side in Sarnia?

A neighbour of mine and of the hon. Speaker was turned back at the border by Dr. Brown from the department of agriculture who was a vet for the U.S. government. This returned load cost the farmer $3,000 in losses. It was strictly a sham, in my view. I was talking to the doctor and I asked him if Carla was giving him a little trouble over the free trade agreement and GATT. He said: "No. The law has been there since 1907 and I am just upholding it". It is things like this that we are running into at the border.

I am meeting with some farmers in my riding this weekend to discuss the GATT. They want a chance to compete fairly with the support of the federal government. One is the chairman of the Kent Dairy Association and his group.

The issue of tariffication is one of the major stumbling blocks to a settlement. The proposed tariff equivalents would not offset the price advantage of American products. Tariffication would not limit the import of supply managed products. With no specific limit on the level of imports, it is impossible to run a supply management system at either the federal or provincial level. Tariffication for supply managed commodities would damage the entire Canadian economy.

As the agricultural industry goes, so goes the whole Canadian economy. Production would decline in most, if not all, regions in Canada as family farms are forced out of business. Our industry must be protected since the cost of an operation in Ontario is much more than a similar operation in Michigan.

I know that in my operation, in corn alone, it has a net of $90 to work with that that I do not have. I am not competing on a level field. Another example is the difference in interest rates on a 10-year mortgage, $14,690, a difference in favour of the U.S. farmer of 22.4 per cent.

U.S. gasoline is $1.35 plus a 10 per cent annual rebate for using gas that is 10 per cent ethanol as an environmental measure. Farm delivered gasoline in Canada was 54.9 cents a litre. The difference is 61 per cent higher in Ontario.

Fertilizers are 20 per cent a tonne higher in Canada. Dairy feed supplements with 40 per cent protein cost 73 per cent more in Ontario.

What about machinery parts? A package of six Case International French bottom plough points cost $115 in Emmett, Michigan. In Exeter, Ontario, the same points cost $143.70, a difference of 24 per cent. I am the same distance from Emmett, Michigan as I am from Exeter.

Our agricultural industry is vitally important to our nation. Too often people go to the grocery store or eat in a restaurant and think the food is magically produced. Our farmers are the bedrock of Canada and they are not getting a fair return for their efforts. A box of corn flakes is nearly 100 per cent corn, and yet the farmer gets only 14 per cent. That price last evening in an Ottawa store was $4.89.

A box of wheat crackers has increased in price at the retail level by 235 per cent between 1980 and 1989, but the value of the wheat in those same crackers is down 43 per cent.

If supply management is damaged by the GATT negotiations, Canada's dairy farmers could face a direct loss of $143 million in internal support plus $75 million in import protection for a total of about $218 million.

Farmers right now are being faced with Mother Nature and historic low prices. A Chrysler bought in 1949 when wheat was $2.85 a bushel was $2,800 and change. Today with the price of wheat 1,000 bushels will not put the tires and wheels on that car.

• (1700)

The farmers in my riding certainly know of the government's lack of support. On the Kent—Essex drought situation, the feds should join with the provincial government in transition funding until the next crop year.

Our poultry, egg and dairy industries must not be pawns in the GATT talks. The government has talked a good line and has said it supports the strengthening and clarification of article XI. We hope that it will not back down. Canadian farmers are worried about their future with GATT and with the free trade deal as double whammies hitting the agricultural industry.

All of us in this House support an end to the subsidy war. I am sure members from all parties hope for a successful resolution to the article XI question. The farmers of this nation deserve a fair share of the Canadian food dollar, an income that will allow them to survive and continue producing the highest quality food, not only for the people of Canada but for the opening markets of the world.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, I was pleased by the tone of the speech of the previous speaker, the member for Broadview—Greenwood. I hope he will listen to my comments.

I want to urge the hon. member for Broadview—Greenwood, whom I know is a very successful businessman, to join the Standing Committee on Agriculture because it is important for other sectors of the economy to participate in the debates relating to agriculture. He noted, in a good manner, that the business people in this country need to keep alive the supply management concept that this country is part of.

I want to say to the member who just spoke that this is a reality for the caucus members as well. I know, Madam Speaker, that you are a member of a very successful agricultural community. You will be inclined with me to say that never will any member of this caucus, the government that I represent, support any suggestion or attempt to withdraw, dismantle or do anything that will hurt or affect the supply management system in this country which protects the revenues and the lives of thousands and thousands of Canadians. We simply will not support that, Madam Speaker, and I am sure you will agree with me.

I want to ask the member if he is aware of this new tariffication system that the rest of the world is trying to put in place during those GATT negotiations and, if so, does he agree with it?

Mr. Crawford: Madam Speaker, I thank the hon. member for her question.

I am as aware of the tariffication in other parts of the country as I am aware of free trade in other parts of the country and as I am aware of the GST in other parts of the country, which have all been the downfall of those areas. We as Canadians look to other countries for guidance. I do not know why we always pick the worst part of every country's programs. Here we are with tariffication and we are going to let other commodities come into Canada and completely decimate our crops.

I have been impressed by the questions of the hon. member this afternoon and of the different members here in the House. I was hoping that in future she would join us over here. She seems to be a real fighter. I certainly would appreciate having her on our side.

I am aware of the question. The answer is that it would be the start and ruination of article XI. It would eat away at it within five or ten years. It would completely wipe out our marketing boards.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I just could not let this pass by, and I don't know how I am going to finesse this question through you back to my colleague. I could not let that compliment go by from the member for Argenteuil—Papineau. Through you to that hon. member I would just like to let her know that she was so generous there today that she has an outstanding invitation from me to come to my

riding and I would be happy to take her to dinner on the Danforth.

Madam Deputy Speaker: Before we resume debate I would like the House to allow me to thank the hon. member for Elgin—Norfolk who was kind enough in his position as a member of the panel of committee chairman to preside over the debate this afternoon for an hour while I was attending other duties. I know everyone has been quite kind to him and I thank you all very much and I thank the hon. member very much.

Mr. Felix Holtmann (Portage—Interlake): Thank you, Madam Speaker and colleagues of the House of Commons. It is indeed a pleasure for me to engage in debate and discussion on what is no doubt a very, very important situation facing Canadians. Let us be honest, when it comes to agriculture, other traders in agricultural commodities, even our neighbours to the south of us I think find the subsidy war a problem. A war is really what it has become with regard to agricultural products.

Let me make some comment on the proposal put forward as an opposition day for discussion. In my view, it is healthy that it was brought forward in such a manner because it does allow all sides of the House to discuss this matter and put our positions on it. If I read what I have heard so far correctly, there are not a lot of differences of opinion on this matter before us today. The argument, I suppose, is should one of these other parties be in power today they would do a far better job, or the fringe parties that would like to govern this country, whether they are in Quebec or in the west, would be able to do a far better job of dealing with this serious situation we are confronted with.

Can you imagine Preston Manning, for example, going out and solving a problem on a policy which he adopted directly from the Conservative platform? Read what was said in this House just last week by the member for Beaver River, who chooses not often in the country to debate the agricultural policy. As I read it, when examining the policy of GATT and the problems with agricultural subsidies, that group states: "The Reform Party recognizes that there is a need for transitional support to protect agricultural producers". With the dilemma we face right now with $2 wheat, you would think that the Reform Party would be at every one of those western rallies of farmers who are demanding some action by the government. In reality, the Reform Party does not go as far as this party does in terms of finding solutions to those problems, which we have demonstrated in the past.

I find it quite amazing that the Reform Party seems to have a solution but in fact it has none. They use these funny little platitudes such as "well, when the price of these commodities come down in this country and that country, we will get out of our problem". That is not solving a problem, that is sitting back waiting for something to happen.

I am going to jump around a little bit and I am going to go back to May 1986. In 1986 our Prime Minister was in Tokyo. While some splinter parties were dreaming up ways of electing members to the House of Commons, our Prime Minister was dealing with one thing and it is probably the first time in a long time that under the G-7 our Prime Minister of Canada convinced others that agriculture and its concerns of trade are very important and should be dealt with. In an interview he said: "In an interview we decided, as you know, how important it was to raise agriculture and for the first time as a group,"—this is the G-7—" the heads of government focused on the paradox of preaching freer trade while pumping billions of dollars into subsidies for agriculture.

• (1710)

This topic dominated our discussions yesterday afternoon and today on the economic side.

Protectionism is damaging to everyone and especially to the poor countries which depend on agriculture almost entirely for their livelihood. Canada has been obliged to take some actions but to try and even match others, as I indicated to our colleagues at the summit, for Canada to even attempt to match the magnitude of subsidies elsewhere would savage the government's deficit reduction efforts".

I think we could even probably go further and I think we could say that in this House of Commons on those in the House elected, and not those who would like to be from some of these fringe parties, there is no way that the government could match the subsidies on agricultural products that have been put forth by Europeans mostly and subsequently by the Americans trying to beat them out on some of the trade they once had.

I think there is probably a consensus in this House that that is the fact. From time to time opposition members have stood up in this House criticizing this government for too little too late. I can recall in 1986 and 1987, $1.2 billion, $800 million, those kinds of figures of money were put at the agricultural problem, we were saying too little too late.

Whether it is $1 billion this year, or another billion next year, it seems like we have not addressed the problem and the argument put forward is that we would be stronger at GATT.

Mr. Mills: We want you to stiffen up your back.

Mr. Holtmann: Okay, I heard from the hon. member that we want to stiffen up our back. Listen to what was said here yesterday. Canada threatens retaliation over EC's farm subsidies. Is that not stiffening up your back?

Let me just quote this: "London. Agricultural minister, William McKnight, warmed his European counterpart yesterday that Canada will retaliate if there is still no resolution in sight to the trans-Atlantic grain subsidy war by the end of the year". It goes on to say: "I didn't put it forward as a threat. I put it forward as a fact".

I would think all members in this House would applaud the strength that this government has put into changing the GATT. This is it. This is the kind of thing that they thought this government never had the guts to do but it is doing it. Let us just go back, not because of this resolution, just a few days ago to September 30. Here is another news release. "The federal government", and you have all talked about it, you have all admitted it is there, you could not reaffirm it from your side any more than we could on our side, "is firmly committed to negotiate an agreement which protects our supply management programs".

Nobody has denied that, except a fringe party that would like to rule this country, the Reform Party. It does not even want supply management programs.

The issue is trust. I suspect there is an element of people that think this government is going to sell it away. There has never been any evidence given to date that we intended—

Mr. Mills: Not sell it, give it away.

Mr. Holtmann: Give it away. There has never been any evidence, Madam Speaker, that this government intends to give that very fundamental part of the agricultural scene away to anyone. In fact, minister after minister and, year after year, our Prime Minister said that very thing in this House.

Let us go back to another news release. This is not so long ago, the hon. Minister of Agriculture: "I want to underline to Mr. McSharry the disastrous effects the subsidy war is having on the Canadian agrifood industry". He points as straight a point as anybody else could make it. One would argue that if you looked at the New Democratic Party.

Would for example the member for Esquimalt—Juan de Fuca have been able to make a stronger case than our Bill McKnight did? I doubt it.

How about the Leader of the New Democratic Party? Is she not, that wonderful charming lady, a forceful individual? I rather doubt that it would have happened any better than under this government with the importance this government places on this very issue.

Here we have a government that defends the right of marketing boards supply management and at the same time attempts to find some sanity in the trade war. It is a trade war.

An hon. member: It was that party resolution that caused the problems.

Mr. Holtmann: Somebody mentioned it was a party resolution that caused this event. Do we realize how many times we would need to have days in the House to discuss party resolutions if we looked at the resolutions of the New Democratic Party? Would they fly in the face of this House? The same is true of resolutions of the last Liberal convention. Would it even think of introducing them as a party in this House? Likely not. Those are realities that from time to time a party does put before its general membership and asks for an opinion.

An hon. member: They don't mean anything.

Mr. Holtmann: They do mean something. I know the member is baiting me. Do they mean anything? I suppose they mean as much to the Conservatives as they do to the New Democrats or as they do to the Liberal Party. It does not get a real airing. They do not not get a debate, some of these resolutions that we have. They do not get the same debate as they clearly do in the House of Commons. You have given it a whole day.

The point is, the debate is healthy because it draws attention internationally to the concerns we collectively have as a people in our farming community of the total damage this does to our agricultural sector. The European common market, which we all sometimes admire as a collective organization, is not without its problems internally with respect to this very subject. I suspect lately if any members have had the opportunity in this House or you, Madam Speaker, as I know from time to time you meet international bodies and delegations, to talk to the Europeans and ask them about the French farmers within the EEC and whether they are prepared to play on the same playing field as they are with their member countries, you would find that there might be a little war brewing over in Europe on this very subject hoping that they can still maintain their trade balanced within each other's respective communities.

There are no simple solutions. There is a desire to get the international community to really look seriously upon us as by far the fairest traders in agricultural commodities. I can also say to my colleagues in the House that we demand fair trade among European countries with our products, yet we do not even have free trade within our provincial boundaries.

That has got to be part of our whole constitutional change as was proposed by this government. Maybe it needs to be altered, but I am saying if we want to say to the Europeans that we are totally free traders, then we should eliminate the trade barriers that exist between the provinces. They distort natural market productions and market forces which would make our products even that much more competitive on the international scene.

I would wonder if the New Democratic Party has a position on the interprovincial trade barriers. I would be interested to know its comments on it. As a way of unifying our country I think that is a major step we have to make.

While this debate is important, I think it is pretty fair to say that the policies taken by this administration in this particular area need very little criticism. It may be up to some criticism. I think if we look at the amount of moneys that the government over the years, as long as I have been elected to this House, has applied to agriculture, it has not been insignificant.

• (1720)

At the same time, it has not solved that international problem. The Reform Party quite flippantly says: "Oh, we will just have to get them to all reduce little by little and we will all be wonderful children at this big, international family. We will be a very happy group of farmers and agricultural exporters, and our economy will boom and grow."

Where is Preston Manning when we are having a dilemma with farm demonstrations? Where is he? He is in Atlantic Canada on a little fishing boat floating around. He never dared show his face at an agricultural meeting. That group wants to quickly reduce any funding going directly to farmers because they have this funny, secret little formula.

The member for Beaver River does not show up at a farm rally to find out how she can help the grassroots. The new Reform Party for those of you who do not know wants to represent grassroots.

My friend from Winnipeg knows very well that you have to be within the ridings to understand what people are saying, especially if you have little agricultural background. You cannot go around looking at wheat fields and saying: "Isn't this terrible?"

When there is a demand to do something, you have to come up with a policy. I admire the member for Winnipeg St. James for attending farm rallies. He may not have always said the right thing, but you have to listen to what farmers are saying. You have got to be there to form an opinion and his opinion may not be the same as mine in terms of finding a solution, but for goodness sakes, he goes to the meetings.

We have a new party in Quebec that is going to solve all the problems of Quebec. I have never heard one of them talk about concerns they had for the farmers in the province. There is no imagination, there are no ideas. By listening too much to the splinter groups deciding what the future of the country will be will fracture any concrete decisions that the government has to take.

While this is a very important consideration that is put forward as a proposal, it is not so much a proposal but a reassurance that those supply management boards will stay. I believe we made our case to the Europeans; that it is not on the table. I as a former farmer—

An hon. member: As a former alderman.

Mr. Holtmann: My principal business now is politics.

As a former farmer, I am very well satisfied that in fact those situations as have evolved in Canada and were set up by Canada—earlier I heard a speech of a member who said that they were there when they initiated the Egg Marketing Agency which was in a mess at one time—served Canada well, and I believe they reflect not at all on our ability to trade as a free trader.

I think I can conclude—I do not know how much time there is—by saying that the debate is important. Agriculture is important. I think there have been enough illustrations and demonstrations that our combined Ministers of Agriculture and our Prime Minister have constantly put agriculture at the head of their agenda items every year since I have been elected.

It has been a long time since a Prime Minister has given the consideration to agriculture as our Prime Minister has. You may criticize him, but you cannot say he has avoided such an important issue. Nobody can say that in this place, because there is just too much evidence the other way.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I would like to begin by saying that, as always, the member for Portage—Interlake has been interesting to listen to, if not always informative in the sense that I do not agree with everything he has to say.

I do agree with him though that the Reform Party is not levelling with a lot of the people it is courting for support. It is not levelling with those people with respect to its agricultural policies, it is not levelling with those people with respect to policies on medicare, it is not levelling with those people with respect to its policies about the GST and a host of other policies.

It is hoping that somehow its position with respect to Quebec will cause people not to take seriously all their other policies and vote for them in that respect alone. I think it would be a tragedy if people in the west or Ontario or anywhere else were simply to support the Reform Party on the basis of their perceived position in the constitutional debate. It is a position that is largely irresponsible, in the sense that it does not have to take what happens to the country into account in its constitutional posturing.

I did not get up to talk about the Reform Party. I got up to talk about this motion. I think I will respond to a few of the things that the member from Portage—Interlake said first and then, if I have any time left, I will try and speak directly to the motion.

The member mentioned the European community. What he did not mention and what was significant by its absence is the fact that the European community and its economic integration, its single market that is coming into effect in 1992, is a single market that is accompanied by a social charter. One of the conditions for the single market in 1992 in Europe is the social charter. Yet the proposition brought forward by the New Democrats, the leader of the NDP, the premier of Ontario and others that there be a social charter as part of the constitutional package is not taken seriously by the government. At the same time the member, on behalf of that same government, wants us to take seriously the European Economic Community and the way in which it is arranged for the free flow of goods and capital services, et cetera, within the 12 European countries.

You cannot have it both ways. If you want to cite the European community experience then you also have to take seriously the fact that it has brought forward a social charter. I would invite the member to think about that inconsistency and not cite the European community unless he is willing at least to admit the objective fact of the matter, that a social charter in Europe has accompanied the things which he wants us somehow to imitate or take seriously here in the Canadian context.

The member for Argenteuil—Papineau and others spoke about the government's commitment to the preservation of supply management. I am glad to hear those words, but I think they are grounds for anxiety. These motions do not just originate out of nothing. They originate out of a legitimate anxiety on the part of many people in the agricultural community and in the political community, but this government is not as committed to supply management as it may seem.

Let me cite a number of reasons why I think that anxiety is legitimate beginning with the free trade agreement. The free trade agreement in the North American context, never mind the global context, has created economic conditions for the kind of pressure that could eventually erode marketing boards here in Canada, with or without an agreement at GATT to do so.

I do not want to re-live the entire FTA debate, but the fact of the matter is that regardless of whether or not the text of the FTA agreement itself said that supply management systems would be disposed of, the fact is that the FTA created an economic context in which the pressure on supply management will eventually be irresistible because of the increased degree of free trade in food processing. Our food processors, having to compete with imports or whatever you want to call them that come from the United States in a non-supply managed context, are eventually going to be in a situation where something has to give. Either the food processors will give and go to the United States, or our supply managed system will have to go. These are the kinds of pressures which have been set up by the free trade agreement supported, promoted and passed by this government. People who know that, know that the commitment of this government to supply management is certainly not 100 per cent.

• (1730)

People also know that this is a government which has tried to make light of the whole phenomenon of cross-border shopping. It is another phenomenon which is not unrelated to this whole question of supply management. What are a lot of people doing when they cross-border shop, particularly in places where they can go every day? In many cases they are going across to buy milk, cheese and other dairy products, things which some people would argue are cheaper in the United States because they have a completely market oriented way of dealing with these particular products.

The government does not want to admit that. It wants to play down the cross-border shopping phenomenon. We saw that even today, when I asked a question of the Minister of National Revenue and he refused once again to acknowledge the full extent of the problem that figures show, when you take into account just how much Canadians are spending in the United States and not just how many trips they are making.

With respect to the whole question of supply management, people with any sort of political memory know other things about this government. They know that some people on the other side made their political careers out of and cut their political teeth on struggles against marketing boards. I could name some of them on that side who made their political careers initially by opposing marketing boards within the agricultural community in their respective provinces. Some of them have become ministers.

One fellow in particular, whom I otherwise quite respect, except that we disagree on this fundamental economic point, was the one responsible for taking oats out of the mandate of the Canadian Wheat Board when he was minister. This is another form of orderly marketing.

It is quite unreasonable for the government to say to members of the opposition and members of the public at large that we should relax, that we should trust this government when it comes to supply management. We know that as individuals many of them have a history of being against supply management. We know that as a government it has a history of supporting agreements, in this case the free trade agreement that has created a context which has put pressure on our supply management system. The lack of trust that exists there is not something that has just been created by opposition politicians for political purposes. It is a well grounded anxiety.

The situation that so many of our farmers find themselves in, particularly our grain farmers, has also been a subject of much debate today. I hope I will be forgiven if I use a bit of humour to describe the situation that so many of our farmers find themselves in.

I am reminded of the story about a fellow who comes into the hardware store and buys a hammer for $10. He goes out and sells it on the street. He buys it for $10 and just in front of the store he sells it for $5.

The next day he comes in and buys two hammers for $10 each. He goes out on to the street and sells them to the people on the street for $5. The next day he comes in and buys three hammers for $10 each and goes out on to the street and sells them for $5. This continues: four hammers, five hammers, ten hammers.

Finally the guy in the hardware store is having a hard time keeping up with all of this so he asked: "What on earth are you doing? You are buying these hammers for $10 and selling them on the street for $5. How on earth can you make a living?" The guy said: "It is not great, but it beats farming".

This is the situation that so many of our farmers find themselves in. What it costs them to produce the product is far and away more than what they are able to get in this tremendous international marketplace that has created this incredible tragedy. People on one side of the world are crying, literally, because land that belonged to their family for generation after generation is being lost to the banks as a result of wheat at prices that would have been acceptable in the 1930s. On the other side of the world people are crying, weeping, suffering and dying because they cannot lay their hands on that product. Is this not a wonderful achievement of human civilization? What a wonderful global order we live in that sees these two sets of teary-eyed faces; one because they are losing their livelihood and their family way of life and the land they have lived on for generations, and the other where people are starving because we cannot somehow get these two things together.

We do not have a system that depends on supply and need. We have a system that depends on supply and demand. Demand is defined by the ability to pay and demand is defined by the ability of certain companies and countries, in this case in the United States, to manipulate that international marketplace so that they can have the upper hand.

This government has been afraid, as have so many other governments over the years, to say what is really going on here. What is really going on here is evil. It is evil that we should have this kind of system where people are starving to death and, on the other hand, the grain is piling up on the ground for lack of the ability to sell it at a reasonable price.

The problem with the government, it seems to me, with respect to the so-called trade war between the Europeans and the United States is that given its sort of economic ideology it cannot really understand what the Europeans are doing. Because the government wants to understand the world completely in market terms, it thinks that the Europeans are just sort of being bad guys, that they are just cheating. In a world in which obviously we all accept, according to the Conservatives, that the market is the thing that rules, then people who distort the market by having the common agricultural policy or various things like this, these are bad people; these are people who do not understand reality.

What the government does not understand is that the Europeans have not made just an economic policy or an economic decision. They have made a social decision. They have made a social policy decision that they want to preserve their farmers and their farms and the way of life associated with farmers. This is completely above and beyond the capacity of this government and the Americans to understand.

Instead of making that same decision and saying "do we want to make a similar decision", do we want to say: "We will support our farmers and our farms and that particular way of life because that is a social decision, not an economic decision"? Instead, they are trying to do it on the cheek, so to speak. They are trying year by year, protest by protest, program by program, to make this problem go away by just giving them a little more. They are never willing to go the whole way, to make the full commitment, to say—and I think this would help with respect to the Americans and the Europeans to give a clear signal—"You are not going to win this war with us. You are not going to let your particular economic strategy wipe out the Canadian agricultural community". We have not given that kind of signal. We have also looked like we are saying: "Oh, gee, do we have to put another dollar on the table? Okay, well if there is enough pressure, and maybe there is an election in Saskatchewan or some other contingent factor, we will come up with some more money".

Instead, we should be making it absolutely clear to the people what we are up against in this and that we value our farm community as much as they value theirs. So far that is not the signal that this government has put out, in spite of the fact that it has spent, and I acknowledge this, incredible amounts of money. But all of the money that has been spent is for naught if in the next little while you

allow all those farmers that you have been supporting over the last little while to go under.

• (1740)

They will not be there. Farming is not something that comes back in the same way as other economic activities. People leave and they lose their farms to the bank. It is not easy to just pick up and start over again. It is not like walking back into the factory, or whatever the case may be, although even that is getting to be more difficult. If it is not farmers losing their land, it is plants and factories shutting down and moving to the United States, which is an entirely different problem.

I think we need to make that kind of commitment to our farmers. I am sure that there are individuals on the other side who would like to see that kind of commitment made. I am sure that even individuals who are not willing to make that commitment understand and feel the dilemma that so many Canadian farmers find themselves in.

I do not know how so many of them do it, how they can tolerate this drop in their income, this incredible drop in their income, and carry on. It is only because farmers are the last vestige of what we call vocation. They are the last vestige of the people who have vocation.

We have taught people in our society for decades now that life is chasing after the buck. It really does not matter what you do, as long as you get paid well to do it. Farmers are some of the few people around still who say: "It matters what I do. If I get paid less and less and less to do this, I am so attached to this way of life and this way of earning a living that I am going to hang on till the very last moment".

I think people who have that sense of vocation, whether it comes out of an attachment to the land or an attachment to the idea of providing food for the world, should be supported. I think we should find ways to support them, ways that give support in particular to smaller farmers, but I think we should find ways to make sure that we do not end up with a return to what I would call an agrifeudalism, in which the land is owned by a very small handful of people, the way the rest of the economy is owned by a handful of people.

The one thing that you could at least take some comfort in as the rest of the economy comes to be owned by 20 prominent families in the country is that at least the land is owned by thousands and tens of thousands of families. Even that is disappearing.

We went through centuries of economic and social development to get to a point where one person, one institution, one power or one authority did not own everything and did not own the land. That was the promise of the new world of Canada. It was not exactly much of a promise to the aboriginal people, but let us leave that aside for a minute.

We are returning now to a situation in which fewer and fewer people own more and more of the land. Corporate farming, agri-business is the wrong way to go. The fact of the matter is that this government is not committed to fighting that over-all trend. Its friendships, its connections, its networks are all with the wrong people in this respect, with the multinational grain companies and the vertically integrated Royal Dutch Shells and others who want to control everything from the ground up, the patented seed, the fertilizer, the herbicides, elevators and the transportation system. You name it.

They have not got everything into place yet, but just about everything. What they need really now is to find a way to own the railroads, which they have in a surrogate form through the CPR for years anyway, and then find a way to own the land.

That will not bother anyone over there. There will still be the hon. member for Assiniboia talking about the NDP land bank and how we want to have massive collectivization of farms. He is worrying about something that was never in the cards here. Nobody ever wanted it. It does not concern him a bit that all the land may someday be owned by a few multinational corporations or by the banks. It does not bother him.

I say this is wrong and I say this is the blind spot in the approach which this government takes to agricultural policy.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, finally, finally, the very influential NDP member said he praised the government for 650 per cent augmentation of intervention in farming. The farmers are very proud people. They do not want subsidies. They want fair trade. They do not like to receive their income from the government. They need it but they do not like it. Nobody likes to have subsidies or a welfare cheque. When you need it, it is necessary, but farmers are proud people. I know that because they have told me that, at least my constituents,

and I know the member's constituents feel the same thing.

I posed a couple of difficult question to Liberal members and maybe they were not in a position to respond, but I will ask the NDP member if he agrees with the position of the federal government which is now working on this, that what we ask for at the Uruguay round negotiations is substantial reductions in trade distorting subsidies, particularly export subsidies; increased access to export markets; clearer and fairer GATT rules including the clarification and strengthening of article XI; and a framework of rules to prevent the abuse of health and sanitary regulations as barriers to trade.

Does the member agree with the position of the government under the auspices of the GATT? Just a simple response, thank you.

Mr. Blaikie: Mr. Speaker, the member tries to simplify the matter in this respect: over a hundred countries agree with that particular statement. The problem is trying to figure out what that means.

What is a trade distorting subsidy? That is the debate, is it not? Everybody can say: "We are against trade distorting subsidies", but what does that mean? Some people believe that any involvement of government in the economy is a trade distorting subsidy. Other people may not believe that. That is what is at issue.

What is at issue here is whether this government, the government of which you are a part, actually believes that things like supply and management are not trade distorting subsidies or whether it believes in the dark recesses of its mind, and sometimes in the not so dark recesses of it mind given the things that it has said and done in the past, that actually supply and management is trade distorting. It cannot possibly admit that just like it couldn't possibly admit that in the free trade agreement, so it had to go through the whole agreement saying: "We believe in supply and management, we believe in supply and management, we believe in supply and management".

Show us in the agreement where it says supply and management is not being threatened. Everyone who knew anything, anyone who had two brain cells to rub together, knew that the free trade agreement threatened supply and management.

Mrs. Bourgault: I want to ask the opposition member about the particularity of Canada as an exporting country. Maybe all farmers, maybe all producers in this country should be under a marketing agency. For instance, look at the pork producers, potato producers, oilseeds, you name it, that not actually under a supply management organization.

• (1750)

Maybe at the end of this, because we are now discussing it on a world basis, because GATT is all countries together, the member will ask whether it is fair. Let us look at a pessimistic situation. At the end of the day when it is all over the world will say: "No. Article XI, we do not want to strengthen it. We do not want to do anything to it, but we want to go to tariffication by the Americans", I suppose.

Given the facts and taking into consideration that production in this country is not all under supply management, what will the member do if we have the obligation to do something as a government? If you were the government what would you do?

Mr. Blaikie: I am not sure I entirely understand the question. I think the member is hypothesising everything breaking down or the United States getting its way. Is that what you are saying? Supply management was seen to be a trade distorting practice. Is that what the hon. member is saying? That is a situation that any government of the day would have to deal with.

I think that an NDP government, for instance, would regard that as much more regrettable than I think a lot of your own people would regard it. Without questioning the integrity of the hon. member who just spoke, there are a lot of people on your side who are critics of orderly marketing and of supply management.

If the GATT breaks down it would be a dilemma. You want to have an international trading system that works and one for which there are generally accepted rules. On the other hand, you do not want to have a system which prevents countries from defending their legitimate interests and which simply imposes upon the global marketplace the kind of "survival of the fittest" that we have had in other contexts.

I think a lot of people in the Third World, for instance, are particularly concerned about that. At the same time as they want liberalized trade, they want trade that is fair and that respects their ability to look after their own interests.

If the worst case scenario that the hon. member points out were to happen, that would happen in a particular context. I think it would be very difficult for me or anyone else, including the hon. member, to speculate on just what the response of the Canadian government might be at that time.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, this debate that we are having in this House today is one of the most important debates that could take place in this country. It is also a very historical debate because the industry that we are discussing today, agriculture, is as old as the first pioneer in this country. The first pioneer normally had a cow and a few chickens. This debate is on supply management. He certainly knew what his demands were in that day. He had to raise enough food to live, to start off.

Those early pioneers who came to this country and built up the agricultural industry, those pioneers who built all those stone fences and stone piles and cleared the land and built the farms, had really built the very basis of this nation. Today those farmers who are carrying on in that tradition deserve the help and every inch of effort that we can give them to win their case for them on supply management, because that is the lifeline of the farm community in those areas today.

To give the extent of the industry we are talking about today, Canada has 300,000 farmers. Quebec has 41,000, the fourth largest farm population of all the provinces. Ontario has 72,000 farmers, which is the largest farm population in Canada. In the dairy business, Canada has 35,600 dairy farmers, 16,000 located in the province of Quebec and 11,000 in the province of Ontario.

Ontario has 475,000 dairy cows, a farm average of 34 cows. In Quebec the average is 33 cows per farm, with a total cow population in the province of Quebec of 578,000. Dairy farming in Canada produces cash receipts of $3 billion a year. Basically, that is the industry we are talking about here in this House of Commons today.

The way this ends up at the GATT is going to tell us how successful that industry is going to be in continuing in this country.

I heard the hon. member for Joliette say that it was too bad that we are having a partisan debate on this issue in the House today. I am sure that every Canadian watching this debate today will fully understand our feeling about that when they see the kinds of answers we get on agriculture from this government in the House of Commons. Is it a love-in when it gives its answers? It gives answers that are so wishy-washy, it does not come to the point. When it does, it is certainly not gentle about it in the terms the hon. member for Joliette would like to see.

He said it was too bad for people the government was not doing anything. Normally, when governments are doing something, people recognize it, but they have to see the evidence of it. That is another thing this debate is about today. We want to see the evidence.

Would it ever occur to the hon. member for Joliette, for example, that the last thing we would ever want to happen to us in this House is to be identified with the image and policies of this government?

The Liberal Party of Canada brought in the National Farm Products Marketing Agencies Act, and we want to see it rescued. We want to see it continued and working effectively for Canadian farmers. The agencies that came in under this act have served Canada extremely well.

I did not speak about Hazen Argue today in a eulogy to him because I know that Hazen Argue is out there tonight, delighted that there is a debate on agriculture in this House of Commons. He lived for agriculture and he was a very dedicated figure in that field.

The National Farm Products Market Agencies Act was proclaimed in January 1972. I remember, I was here when that was proclaimed and I was here in this House with a number of other members between Christmas and New Years of 1971 because we had come back purposely to pass the farm marketing bill. It was proclaimed the following January.

No other Canadian knew we were here because they were celebrating the festive season and they would have thought we were a little off our rockers if they knew we

were sitting here in session in the House of Commons between Christmas and New Years.

As I stand here today to speak on the GATT negotiations and the possible destruction of our supply management system because of the lack of muscle that is being displayed by the Federal Government of Canada at the GATT negotiations, I find this whole international process very depressing indeed.

The most dangerous development I see at these GATT negotiations is the common ground thinking and the common ground linking that is going on between the United States and the European Economic Community. Over the years of our history, whenever the United States teamed up with any nation in Europe, such as Britain or with the European Community against Canada, Canada has lost, historically. We lost the Alaskan boundary dispute in 1903 because the United States and Great Britain lined up against us. We lost the State of Maine in the province of New Brunswick boundary decision because they lined up against us.

We Canadians have to stand solidly on rational arguments and never give up trying to win this case on supply management.

• (1800)

We can never cave in, and the government has to develop a strong muscle. The view is out there that the government is a bit spineless when it comes to defending Canada's agricultural trade. The feeling is out there that the government is rather spineless when it comes to defending Canada's interests even in the free trade agreement, and now we are into the GATT discussions.

We see the United States which is supposed to be our trading friend lining up with the European Economic Community against Canada. Where is the international justice in a system like that? The government cannot afford to sit back and be anything but absolutely aggressive toward this united action on its part.

A lot has been said in comments today about the Consumers' Association of Canada. I simply want to say that it is not fair to make statements about food costs and food production in Canada unless you know the plight of the Canadian farmer first hand and unless you really know what is going on out there.

I grew up on a farm, and I have some knowledge of this subject. When you drive past a farm today, very few people realize the tremendous investment that exists on that farm. They look upon it as a family home.

It is only fair that the farmers get a fair return on their investment because if they do not, they will not be in business and Canada will have lost that productivity. The farming pioneers of this country must be looking down on us in this House today and wondering what has happened.

I think that in negotiating tools, I cannot forgive the government for submitting $8.8 billion as a figure that the Government of Canada is giving to farm organizations in Canada by way of subsidies and help. That has destroyed a lot of its argument to begin with. It has taken away a punch, and even by saying $2.2 billion for the dairy industry, it is helping those who are against us in this argument. That is wrong.

Madam Deputy Speaker: It being six o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 81(17), proceedings on the motion have expired.

[*Translation*]

It being 6 p.m, pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

INCOME TAX ACT

INCOME AVERAGING

The House resumed from Friday, September 20, 1991, consideration of the motion of Mr. Althouse that, in the opinion of this House, the government should consider the advisability of introducing amendments to the Income Tax Act so that taxpayers whose income may fluctuate from one year to the next would be able to average their income over five years.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, I am pleased to be able to participate in the debate on Motion 81 presented by the hon. member for MacKenzie which recommends the introduction of income averaging measures to the Income Tax Act. This, it is argued, would reduce the tax paid by individuals whose incomes fluctuate considerably from one year to the next.

Although the motion talks of the introduction of such provisions, it would be more appropriate to speak of reintroducing them, as they were part of the Income Tax Act provisions until 1987. Indeed, two methods of income averaging were eliminated with the tax reform of 1988. These were general forward averaging and block averaging which was designed to assist farmers and fishermen. To ensure a smooth transition, taxpayers who deducted averaging amounts prior to 1988 have until 1997 to bring such amounts back into their income. This allows taxpayers to obtain a federal tax credit at the highest marginal rate during the year in question. The system of block averaging for farmers and fishermen comtinues to apply to the five-year periods that began prior to 1988.

Madam Speaker, in considering the possibility of reintroducing income averaging provisions to the personal tax system, it is important to review the reasons why these provisions were eliminated in 1988.

The methods of income averaging were eliminated with the tax reform of 1988. The reform was based on five broad principles.

The tax system should be fair and should respect Canadian views of social justice. It should be consistently progressive, imposing little or no burden on those least able to pay. There should be less variation in the tax position of individuals in similar economic circumstances.

The tax system should have a broader base and lower rates. It should minimize preferences that allow high-income individuals and profitable corporations to pay little or no tax. Rates should be lowered to encourage initiative and risk-taking. The tax system should recognize Canadian realities and priorities. It should support Canada's capital requirements for growth and development and contribute to Canada's ability to compete in world markets. It should support regional development.

The tax system should be more understandable and less complex.

The tax system should provide a stable revenue base, to assure reliable and predictable revenues to finance public programs.

Madam Speaker, the application of these principles centred around three major areas of change: First, the reduction of the ten income tax brackets, ranging from a tax rate of 6 per cent to 34 per cent, to three tax brackets with rates of 17 per cent, 26 per cent and 29 per cent; secondly, the conversion of personal exemptions and certain deductions into tax credits. Unlike deductions and exemptions which reduce the tax to be paid by an amount that reflects the level of income, tax credits reduce the tax to paid by a set amount, regardless of the level of income. Thirdly, the reduction or elimination of several tax concessions which primarly benefitted high-income taxpayers.

The elimination of income averaging provisions was part of the latter category of measures which, in broadening the tax base, made it possible to reduce tax rates. The reduction of the number of tax brackets and the lower tax rates meant there was less need for income averaging. In short, smaller differences between the minimum and maximum marginal rates, that is 28 per cent prior to tax reform and 13 per cent after, reduced the tax consequences associated with fluctuations in income from year to year. Moreover, with the broader tax brackets, there is a much lower probability that fluctuations in income from one year to another will give rise to an increase in an individual's tax burden.

Therefore, income averaging provisions were eliminated because of a reduced need for such provisions and in part to finance the lower tax rates.

Tax reform involved a series of interrelated changes and so it is not appropriate to assess the fairness and relevance of specific measures without considering the whole package. The financial statistics for the 1988 taxation year, which were released last year, provided the first opportunity to determine the impact of the reform as a whole.

These statistics clearly show that tax reform achieved its intended objectives: overall, personal income taxes were reduced by more than $2,5 billion; some 905,000 Canadians with incomes under $15,000 no longer had to pay income taxes; the number of taxpayers aged 65 years or older paying tax fell by approximately 300,000.

One of the surest ways to threaten these gains would be to gradually reintroduce the provisions in place before the reform. The reintroduction of measures such as income averaging would narrow the tax base and would require an increase in tax rates in order to preserve the government's tax revenue.

• (1810)

Madam Speaker, the elimination of income averaging in 1988 was part of a broader initiative designed to make the tax system simpler and fairer. Given the positive impact of that reform, it would be counter-productive to take a step back and amend some of the elements that have contributed to its success.

[*English*]

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I am pleased to rise tonight to speak on this bill put forward by hon. colleague, the member for Mackenzie.

The government opposite has been stating, as one of its objectives, a more fair and simpler tax system. I think that an average Canadian today would agree that this objective has not been realized.

There are a number of examples of the fact that taxation in this country is simply not fair. We can look at, for example, the fact that 58 per cent of married people pay more tax living as a married couple than they would if they lived as a common law couple according to Stats Canada. We have the example of corporations in this country with incomes in the neighbourhood of $30 billion on which no tax is paid, not even a penny. Compare this to the United States where Ronald Reagan introduced a minimum corporate tax. At least U.S corporations pay some income tax.

We have, along with that, the absurdity of people in this country, living below the poverty line, paying income tax. We have corporations, on the one hand, which can afford to hire expensive tax consultants, accountants and tax lawyers to look for loopholes in the tax law, many of which they lobbied to have put in place themselves, and on the other hand we have many families in this country which are barely able to make ends meet, can barely afford go to H&R Block to have their income tax done, are paying income tax and are below the poverty line.

Only one government in this country has said that it will do away with income tax below the poverty line and that is the Ontario government of Bob Rae. The New Democratic government in that province has said that although it cannot affect federal income tax, the people in Ontario living below the poverty line will not be paying any provincial income tax. That is a move towards tax fairness.

The government has also indicated that it had planned to make a simpler tax system. Again I think an average Canadian looking at his or her tax forms when they do their taxes would simply say that the income tax system in this country is neither simple nor is it fair.

This bill the member for Mackenzie has brought forward is an attempt, in a small way, to make the tax system in this country somewhat fairer. This bill would allow for five-year block averaging. It is not something new, in fact it is something that was initially brought into effect in the late 1940s. It is fairer for professions where income comes about in an unequal manner; people such as artists, sales people, real estate agents, ranchers, farmers, fishermen, writers, small business people, people who may have a number of years of low or mediocre income then suddenly have a year where things go very well for them and they have a very high income. Unfortunately, these people are now forced to pay tax on a very good year when in actual fact their over-all income over a longer period of time is much lower. That, I would suggest, is not fair, and I do not think the people who are into those situations would find it fair.

In the past, people had been able to average their income over a five-year period to allow them to pay a more equitable tax on their income. To me, that sounds fair. I think many Canadians find it fair. Certainly many accountants have found it fair. With respect to farm groups in western Canada, most farm organizations including the Western Canadian Wheat Growers, which tends to be a group that supports many of the government's measures, have said that this is a measure that is fair and equitable and should be maintained.

I believe it was removed by Order in Council in 1987 by this government. I have been following the debate on this quite closely. I have been reading the debates that I have not heard, and the government puts forward three arguments as to why this five-year block averaging

should be removed and should not be reinstated in the tax system.

I am paraphrasing from the parliamentary secretary, the lead speaker for the government who spoke on this bill, and he said that the fundamental principle is that ability to pay is measured on the basis of income earned and received in a single year. In other words, he is saying that a fundamental principle is that we pay income tax based on each year, regardless of over-all income.

I do not think that is a fundamental principle. That is why the five-year block averaging was put in in the first place, to take out the peaks and valleys. I think a much more accurate statement of the fundamental principle would be that people should be paying taxes on income earned, not being restricted to one single year. By the parliamentary secretary restricting it to one year, I do not think is a fundamental principle that most Canadians would agree with.

He and other members on the government side have indicated that the tax brackets have now been narrowed, that you have a minimum of 17 per cent to 29 per cent tax payable, and that is true. But what they have forgotten is that there is still a large gap, particularly when you take into account provincial income tax, which can mean an 18 per cent difference in tax payable.

If a farmer or a small business person has been having three or four or five bad years and suddenly has a good year and is faced with paying that extra 18 per cent, you tell them that that is not very much money and they are going to tell you something else. If a business or a farmer has been suffering for a number of years and suddenly has a good year, they need that money to help them keep their operation going, pay off bills and so on. So the idea of 18 per cent, I would suggest and many Canadians would suggest, is in fact significant.

The other fact is that the government likes to say that retirement is the most frequent and significant cause for income fluctuation. I think that perhaps that is true, in the sense that at some time in our lives all Canadians will suffer a radical drop in income, and often that occurs at the time of retirement. But this bill is not meant to deal with that. The fact is, we have a small percentage of Canadians which suffer from fluctuating incomes from year, to year, to year, to year. Although the government can say that it has put in tax reforms to help retirement, that really is not the issue. That is not the purpose of this bill. That was not the purpose of a five-year block averaging. The fact that when people retire they can take advantage of RRSPs does not help a farmer or a businessman or a fisherman or anyone with a fluctuating income. It does not help them in that particular year.

I think the bill that the hon. member has put forward is a bill that will help those entrepreneurs, those Canadians who are into more open market situations. These are people who often run the risks of the marketplace, small business people, artists, people on commission sales, farmers, people who are subject to the disciplines of the open market. This is a government that likes to pretend it represents small business and farmers but in fact this is something it is doing that will hurt small business and farmers.

• (1820)

The argument that we cannot afford to bring in block averaging because it is going to cost the government too much money is again, I would suggest, not accurate in that the actual amount of money lost by the government would be very small and certainly could be made up quite easily. If the government would bring in a minimum tax for corporations, for example, it would more than offset any income loss that Revenue Canada suffered as a result of five-year block averaging.

I believe my time is almost up. In conclusion, I would like to say that if the government wants to have a prosperous nation it is essential that it provide opportunities for Canadians to make an income, and provide for themselves. This in a small way would help a particular group of Canadians to maintain themselves at a time when the Canadian economy is suffering very badly. I would simply conclude by saying that I do wish the government would reconsider its position on this bill and vote for it when the time comes.

Mr. Bruce Halliday (Oxford): Madam Speaker, I am very pleased to speak today to Motion No. 81 which has been put forward by the hon. member for Mackenzie. It is designed to consider the advisability of introducing amendments to the Income Tax Act to allow some form of income averaging for the benefit of individuals whose incomes fluctuate significantly from year to year.

I am sure that members of the House would agree that the hon. member for Mackenzie is committed, and has been for many years, to the welfare of farmers in Canada. We have to agree also that before the Income Tax Act was reformed in 1988 it contained two provisions for averaging income over a number of years; block averaging and forward averaging, which colleagues have already alluded to this afternoon. These procedures allow taxpayers with large fluctuations in their incomes to spread the burden of tax over a number of years. Both forms of averaging involved complex calculations.

Consider first the block averaging. This was available to individuals whose chief source of income was farming or fishing and it allowed them to average their income from all sources over a five-year period. This provision involved a calculation whereby the taxpayer recalculated the tax liability as if one-fifth of his or her total income over the period had been earned in each of the five years.

An election to block average was made in the last year of the five-year period and resulted in a reduction in tax in that year or in the refund of taxes paid in the earlier years of the period.

The other income averaging technique was known as forward averaging. Unlike block averaging, forward averaging was not restricted to those involved in farming and fishing. It allowed all individuals whose income in a year exceeded 110 per cent of their average adjusted income in the preceding three years to spread out the excess over future years in order to reduce its impact on tax payable.

The excess income which was averaged in this fashion was deductible in computing taxable income for the year in question but gave rise to a special tax in that year at the highest marginal rate.

In future years the average amounts could be brought back and taxed as regular income with a refundable credit provided at the top marginal tax rate.

This was how the system operated before 1988 but as hon. members know the government reformed the corporate and personal income tax systems in 1988 and among the objectives of this reform was the creation of a tax system that contributed to fairness, competitiveness, growth, and job creation. To achieve these objectives, tax reform was guided by two major principles, lower tax rates and a broader tax base. It is readily apparent that lower rates provide an incentive to work and invest, thereby contributing to the goals of competitiveness, growth and job creation. The pre-1988 system had 10 rates ranging from 6 per cent to 34 per cent. This structure was replaced with one comprised of only three rates: 17 per cent, 26 per cent and 29 per cent.

A related element was a conversion of personal exemptions into tax credits. Exemptions provide the greatest benefit to higher income earners, whereas credits are fairer because they provide the same degree of tax relief to all taxpayers.

The rate reduction combined with the conversion of exemptions into tax credits resulted in a fairer and more progressive tax system. I shall return to how these changes reduce the need for income averaging procedures in the tax system in a moment.

The other guiding principle of tax reform, namely broadening the tax base by removing special tax preferences, was equally important. A broader base makes the tax system simpler and fairer. It reduces the opportunities for tax planning, opportunities that were most often used by high income Canadians. Many tax preferences were eliminated or restricted. For example, the deductibility of business expenses for meals and entertainment was significantly reduced.

The hon. member for Mackenzie has proposed a reintroduction of income averaging procedures into our tax system. In order to assess this proposal properly, it is helpful to review the goals and methods of tax reform as we have just done. The lower and fewer tax rates which came with tax reform reduced the need for averaging provisions, a point on which I shall elaborate in a moment.

Since the need for averaging provisions was reduced, such measures were eliminated as part of tax reform. Forward averaging was eliminated for 1988 and subsequent years and the block averaging provisions for farmers and fishermen ceased to apply for any five year block commencing after 1987.

These changes were introduced gradually in such a way as to ease the transition. Forward averaging amounts deducted in prior years can still be brought back into income until 1997 and will entitle a taxpayer to a federal tax credit at the top marginal rate in that year. Block averaging arrangements that were already under way were allowed to run their normal course.

Let me now explain why the new tax rates and the reduction in the number of tax brackets brought about by tax reform reduced the need for averaging. Prior to the reform the spread between the lowest marginal tax rates, namely 6 per cent, and the highest, 34 per cent, was 28 percentage points. Such a wide spread of course had severe tax consequences for those whose income fluctuated substantially from year to year.

After tax reform the spread between the lowest, namely 17 per cent and the highest at 29 per cent with marginal tax rates was reduced to 12 percentage points. Furthermore, tax brackets became much broader and the lowest tax bracket now accounts for two-thirds of tax filers.

Therefore, year to year fluctuations in income are now less likely to move a taxpayer from one bracket to another. Even if such a shift does occur, it will not cause a significant fluctuation in tax burdens.

The reforms to the tax system made possible the elimination of averaging provisions and the elimination of the averaging provisions in turn contributed to making the tax system simpler and helped finance the reduction in marginal tax rates.

The most significant income averaging activity that typical Canadians undertake is that of putting away money during their working years to finance their retirement. This type of income averaging now receives more favourable tax treatment. Recent pension reforms provide substantial opportunity to defer income and tax. This tax assistance is based on the principle that money set aside for retirement should be taxed when it is received, not when it is saved.

Accordingly, amounts contributed to registered retirement savings plans, namely RRSPs, registered pension plans and deferred profit sharing plans are deductible in the year contributions are made and the investment income in these plans is not taxed when it is earned. Instead the savings are subject to tax only when benefits are paid out of the registered plans.

For the vast majority of taxpayers who have lower incomes and higher tax credits in retirement years and who therefore face lower marginal tax rates, the tax assistance provided for retirement saving includes an important income averaging advantage in addition to its tax deferral benefits.

• (1830)

As I noted, the system of tax assistance through retirement saving was recently improved. The new contribution limits which come into effect this year eliminate many shortcomings of the previous system and ensure that Canadians have fair access to tax assistance for retirement savings.

For example, taxpayers without an employer sponsored pension plan did not previously enjoy the same opportunities to build adequate pensions on a tax assisted basis. Those with relatively poor pension plans face the same RRSP limits as those with very generous pension plans.

The limits were also vulnerable to a growing number of tax planning arrangements. In short, some taxpayers did not have access to adequate levels of tax assistance, while others were able to obtain excessive tax assistance.

The new single comprehensive limit on contributions, namely 18 per cent of earnings, will apply to all tax assisted savings in all plans. The new system will better integrate RRSP and registered pension plan contributions. It will be more flexible and will enable taxpayers to tailor the pattern of their retirement savings more closely to their financial needs.

In conclusion, we should indeed address the needs of Canadians with incomes which fluctuate from one year to another, but tax reforms combined with the substantial income deferral possibilities provided by the new system of tax assistance for retirement saving does indeed address these very needs.

It does so indeed more fully and more fairly than would the reintroduction of complex averaging measures.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I would just like to say a few words on this motion on behalf of my party.

Really, they are more in the nature of personal reflection on the concept of income averaging and the taxation of income averaging. I must confess to not having had a great deal of time to think about this matter today, although it is an interesting subject and an interesting motion which the hon. member for Mackenzie has put before the House.

It is one on which I would have preferred to have a little more time to give some careful reflection to. However, I would just like to say a few things from the perspective of two of the income groups that are prominent in my riding and for whom this system of income averaging would be relevant, that is to say, the fishermen and the farmers.

Certainly, in the case of fishermen, their income fluctuates every year with the catch and the success of their catch. In the case of the farmers, it is the same story with their incomes dependent on the weather conditions, on the price of their product and on all sorts of factors over which they have no control. Certainly a form of averaging of income which would allow them to plan further ahead would be advantageous to both those income groups.

It is really a form of social insurance in the sense of allowing them to be compensated in the bad years by the income that they earned in the good years.

The questions that this system raises are many, particularly when they are thought about in relation to our system of progressive income taxation. In our system of retirement income, Canadians are given tax advantages for putting money away into RRSP and other forms of deferred income plans. In that sense, they are able to lower their taxable income in current years and only have to pay taxes on that income when they have lower income. In that sense, they are subject to a lower marginal tax rate.

This subject of income averaging has to be considered in the context of measures in the income tax system, particularly in terms of deferred income plans and the RRSP plans which allow people to defer their income to a future date. The five-year block averaging mentioned in the member's motion and his remarks in support of his motion lead me to ask the question: What is so special about five years? I could see, if we were to conduct some genuine tax reform, a system in which all income would be equally considered and one might be able to defer one's income indefinitely. Our tax rate might be something approaching what one of my colleagues has called a single tax, that is to say, a flat tax rate on income. The individual taxpayer would simply be able to choose how much income he would reserve for a particular year or put the extra income in a plan of some sort for future years for future purposes. He would only pay taxes on it when that income was withdrawn in the form of annuity like an RRSP.

I could see a system extended beyond that to allow, for example, individual taxpayers to plan for future education and retraining possibilities down the road. They would be allowed to take income from a good year and put it aside into an education plan or some form of savings account that would not be subject to tax in that year. Later on perhaps, if there is a change of career or need for retraining, that income would be there to be drawn upon. They would not pay high tax rates on it in the year they earned the income.

The idea of averaging income over a longer period than a year certainly has merit, provided it is part of a more comprehensive set of tax reform proposals. I would include in that a movement toward something I would call a single tax. For people in many income categories it also has to be related to some minimum level of income and perhaps, some form of guaranteed annual income, minimum tax or some level of minimum income which people could have without having to pay taxes. We have something similar in the current system, which is often subject to many inequities because of the complicated nature of our income tax system.

I would have preferred to have more time to give this matter some structured thought. I believe the principle of the motion has merit. It is the kind of thing one wants to examine in the context of many other facets of the income tax system which is very, very complex. I would submit that it is far too complex and a source of great frustration for many Canadians.

The government's tax reform proposals which involve the closure of some of the brackets in our progressive income tax system go part way to simplifying the tax system. There are still many loopholes, tax expenditures and kinks in the tax system which favour the well-to-do and which favour those Canadians who have a persistently high income. They can employ the services of accountants to take advantage of these loopholes and thereby escape taxation and impose a higher burden of taxes on the rest of the population including those very individuals the member for Mackenzie would like to help with his block averaging proposal.

• (1840)

I would submit that the way to true tax reform would involve a form of averaging over a longer period of time than a year, but it would also involve many other components including a movement toward a far simpler system of tax rates and a more comprehensive base. It would be an income tax system which would eliminate many of the loopholes that still exist in our income tax system. It makes that system far too complicated and ends up creating many inequities for Canadians. It creates distortions and disincentives for all sorts of things and that in the end weakens our economy. It also creates all sorts of problems of fiscal management for the government.

It is an interesting idea. It certainly benefits income groups like the farmers and the fishermen, but it would need to be studied more carefully and would need to be incorporated with other sorts of tax measures such as those that I have described.

Hon. Alan Redway (Don Valley East): Madam Speaker, I am pleased to have the opportunity for a few moments this evening to comment on the hon. member for Mackenzie's proposition before the House:

> That, in the opinion of this House, the government should consider the advisability of introducing amendments to the Income Tax Act so that taxpayers whose income may fluctuate from one year to the next would be able to average their income over five years.

I have been most interested in the comments that various members have made this evening with respect to our tax system and with respect to this specific proposition. I think two comments stand out especially in my mind: first, that the tax system should be a fair one and, second, that the tax system should be a simple one, as simple as it possibly can be.

You and I are well aware, Madam Speaker, that the tax system we have in place today, in spite of all of the efforts to simplify, improve and reform it, is anything but simple. You and I just have to pick up our income tax return form as we are required to do each year, take a look at it, see what if anything we can make of it and how long it is going to take to fill out, to know that it is a very complex system indeed.

Many of my constituents come to me regularly and tell me that when they started paying income tax the return was one simple page. Not only have I seen those forms, but I am just old enough to have filled in a few of those myself years and years and years ago when the income tax return was one simple page.

We have made it more complex every year and every year in this House, sometimes several times a year, we debate further income tax measures, we pass further income tax legislation, and each year it becomes more and more complex.

I recall many people over the years advocating a simpler system, the single tax system.

We recall the campaign of one Mr. Peter Pocklington across this country in 1982–83 leading up to the leadership convention that took place in this city which chose the now Prime Minister of our country to be leader of the Progressive Conservative Party. One of the candidates in that campaign was Mr. Peter Pocklington, who campaigned virtually on a single issue, the issue of a simple income tax form, a one-page tax form, a flat tax form. It was a very popular issue and Mr. Pocklington, at least for a while, became a very popular figure in the country, at least until he decided to trade away Wayne Gretzky to the United States. He became a very popular figure in this country on the theory that we should make the system more simple than it is now.

One of the members of this House says I think he has written a book on it now. The hon. member for Broadview—Greenwood, one of my neighbouring ridings in the city of Toronto, has another proposal out on simplifying the system, on a flat tax, getting back to the basics.

All of those proposals, it seems to me, make a good deal of sense but they do conflict with concepts like the one that has been put forward by the hon. member for Mackenzie and so many other concepts in our Income Tax Act. What the hon. member is proposing is not really something that will make the system more simple and straightforward but will bring back a complexity to the system that we had previously.

I am not sure if I am correct, and my mind may be a little foggy on this, but it seems to me that income averaging in the income tax system probably came about back in the 1970s following something called the Carter commission on taxation. My hon. friends say it was 1948. In any event, I remember that in 1970 there were further attempts to reform the income tax system as a result of the Carter commission and the so-called Benson budget, if you will recall, that of then Minister of Finance Edgar Benson. He did a lot of things at that time to try to make the system a fairer one. He brought in things like capital gains tax. He eliminated things like the estate tax. Now we hear that maybe the estate tax would be a fairer way to tax and maybe we should bring it back, rather than leave it in the junkyard con the scrap heap.

There have been other attempts, as I have indicated, at tax reform in the past. The latest attempt back in 1987–88 did away with income averaging in the income tax system. Now we have another suggestion for bringing it back. I do not think it meets the criterion of simplicity, even though it may be helpful with respect to the criterion for fairness. It certainly does not help to make our tax system any more simple than it is now. In my view, by bringing it back it would only make it more complex. In the days when we had income averaging in the Income Tax Act we either had to rely on a chartered accountant to figure that out for us or maybe even the tax department itself. We were often at its mercy in making out what was quite a complex calculation and one that if we did try it ourselves usually was wrong.

We are left then, it seems to me, with the other criterion when examining this proposition, and that is the criterion of fairness. Certainly it would seem anything but fair to people who have income that goes in peaks and valleys to have a tax which impacts on them at different tax rates, one sometimes at a higher tax rate when their income is a way up, sometimes at a lower tax rate or perhaps even nil when their income is a way down.

• (1850)

The possibility that their income may be so low that there is no tax payable at all was another issue of concern raised in this House for some period of time by our colleagues in the NDP, and to some extent I suppose with respect to corporations they are still raising that concern. They did raise the concern that at the low end of the scale, at least, all people should pay tax and there should be no way of getting out of it.

As a result of the concerns they brought forth and as a result of reflection and study on the part of the government, the minimum tax was put in place and is in place today to eliminate that concern and to make it fair.

I am sure the hon. members who are murmuring and nodding their heads in approval on the other side of the House will agree that the present government has made very substantial strides to try to make the tax system a fairer one by eliminating an awful lot of those tax loopholes that have been referred to and by trying to make it fair.

Just one complex loophole that I can recall, having had a good deal to do with it, was the scientific tax credit which opened up a gigantic sieve in the system and fortunately that has been eliminated.

An hon. member: Who introduced that?

Mr. Redway: My colleague asks who introduced that. He knows and I know that it was the former Liberal government that introduced that. Virtually every one of the tax loopholes that are in the Income Tax Act and other tax loopholes were introduced by previous Liberal governments over many, many years.

They did it to try to provide some incentives for people to get into scientific investment and research and all of the rest. They did it in good faith and I certainly do not quarrel with the motives. It did not help to create a fair system. Certainly what we should be doing is trying to create a fair system, but at the same time balancing it off with the basic need of the tax system which is to try to make sure that we have enough money to pay the bills that all of us want to pay.

I have listened to our colleagues on the other side this afternoon talking about helping our farmers in this country, a very noble proposition and something that I wholly agree with. They know and I know that somehow or other, if we are going to do that, we need to raise the money to do that and that is raised through the tax system.

While the tax system has to be fair, it also has to make sure that we raise the money not only to look after people like our farmers and our fishermen and all of the other people we need to look after in this country, but to look after something called our deficit and our national debt which they keep reminding us are enormous.

Certainly we are all searching for a system that is simple. We are all searching for a system that is fair. I think the debate this afternoon on this proposition has helped that process. I applaud the hon. member for bringing forward the bill for our consideration.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, I would like to congratulate the hon. member who just made a reference to the scientific research tax credit. Something like $2 billion went down the drain in that program. Imagine if we had that kind of money today to help our farmers! I remember one project in particular, the Dream Street Holstein. An enormous amount of money was spent on research on black and white Holsteins and brown and white Holsteins. It cost a fortune. If we had that money today to help farmers in Western Canada, it would be fantastic.

Madam Speaker, I welcome this opportunity to speak to motion M-81 introduced by the hon. member for Mackenzie. The hon. member asks the government to consider the advisability of amending the Income Tax Act so that taxpayers whose income may fluctuate considerably from one year to the next would be able to average their income over five years.

The payment procedure proposed in this motion is almost identical to the provision for averaging the income of farmers and fishermen over a period of five years, a provision that became part of the Income Tax Act in 1946 and was dropped in 1988 as part of our tax reform.

This provision, Madam Speaker, allowed individuals whose chief source of income was farming or fishing to average their income over a five year period. When their income fluctuated substantially from year to year, this procedure made it possible to reduce the total income tax payable over the five year period in question. Averaging was intended to lessen the fiscal impact of substantial fluctuations in the income of farmers and fishermen, more likely to be affected by such fluctuations as a result of drought, disease or price swings.

Today, this is a very common concept, and I think the hon. member for Mackenzie realized that when he introduced his motion, which is entirely appropriate, considering what is happening toda—at GATT they are discussing article XI, and the subject is very much in the news.

However, Madam Speaker, this particular provision of the 1946 Income Tax Act was used by a mere 4 per cent of farmers and fishermen. Only 4 per cent took advantage of this provision. It was a difficult mechanism to comply with and administratively very complex.

With fewer tax brackets and lower tax rates, income-averaging measures became less necessary and were abolished in 1988. This also helped simplify the tax system, which was obviously one of the main objectives of that reform, Madam Speaker.

Averaging was supposed to give some protection to farmers and fishermen whose income is particularly prone to large variations from year to year. Even though this measure was intended to lessen the impact of such fluctuations, it had mixed success, witness the low participation rate I mentioned earlier.

The government still continues to take account of farmers' vulnerability to fluctuating income. That is why, in early 1991, it announced new measures to help them: the Gross Revenue Insurance Program and the Net Income Stabilization Account.

GRIP, the Gross Revenue Insurance Program, is meant to protect farmers' income. It is based on the existing crop insurance plan and adds income protection to it. Farmers can thus count on an assured gross revenue that will not be affected by natural risks or market forces beyond their control. GRIP also enables farmers to calculate the guaranteed return of each crop in the early spring and obtain operating funds as required.

Under the Net Income Stabilization Account, commonly called NISA, farmers and the federal and provincial governments make equivalent payments into individual accounts. Farmers draw on these accounts when their income is low. The interest earned is only taxed when it is withdrawn from the account.

The close cooperation, Madam Speaker, between farmers, the provinces and the federal government that led to these mechanisms is a very important feature of them. When he revealed the terms and conditions of these plans, the Minister of Agriculture declared that this program was designed from scratch by the farmers themselves, the provinces and the federal government as part of a policy review. This is a unique case in public policy development. Together the interested parties set up a whole new program to reduce the need for special assistance every time. The new support measures provide assistance to farmers in all regions of the country equitably and encourage the adoption of sound management practices based on long-term market trends.

I think it is imperative that we collectively recognize this is the type of partnership we must look for, not only in the agricultural sector but in other sectors as well. Governments cannot go it alone any more; they need the input of the various stakeholders.

Members of this House know that Quebec maple syrup producers have come to us asking for $22 million in special assistance. Based on the number of maple syrup producers in Eastern Ontario and in Quebec, for the

0zmost part, I figure this would represent around $17,000 or $18,000 for each of them. That is a lot of money in times of economic restraint, and I think these new programs will help them pull through.

Madam Speaker, we can see better the level of cooperation between the various stakeholders if we take a look at what went before the implementation of these measures because extensive consultations have been necessary to formulate such policies.

I can see that my time has run out. Thank you for having recognized me again.

Private Members' Business

Madam Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

It being seven o'clock, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7 p.m.

HOUSE OF COMMONS

Friday, October 4, 1991

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada) moved that Bill C-30, an Act to amend the Criminal Code (mental disorder) and to amend the National Defence Act and the Young Offenders Act in consequence thereof, be read the second time and referred to Legislative Committee G.

[*English*]

She said: Madam Speaker, on May 2, 1991, the Supreme Court of Canada, in Swain *v.* The Queen, held that a central provision of the Criminal Code dealing with persons found not guilty on account of insanity was contrary to the Canadian Charter of Rights and Freedoms because it lacked adequate procedural protections being arbitrary and potentially indeterminate in nature.

The court gave Parliament six months to enact the necessary remedial legislation. There are approximately 1,100 Canadians being held indefinitely under Lieutenant-Governor's warrants. None of them has been convicted of the crime of which they were accused. Many have never had a trial to determine if they committed the offence alleged. They have been found to have been insane at the time of the offence and therefore not guilty by reason of insanity, or insane at the time of trial and therefore unfit to stand trial.

The situation in which these people find themselves is worse in a number of ways than if they had been convicted of the offence charged. They are held indeterminately and their release depends completely on the discretion of the Lieutenant-Governor of the province in which they reside.

The present Criminal Code provisions permit provinces to create boards to "review" whether these people should be released, but the provisions do not require that a board be created or that the board hold hearings. Even in provinces with a review board which holds hearings, the recommendations made by the board are not binding. No reasons need be given for the board's recommendations nor for the decision of the Lieutenant-Governor. There is no right of appeal from the decision. While the Lieutenant-Governors undoubtedly exercise their discretion wisely in a great majority of cases, the possibility that a person may be deprived of his liberty without a fair hearing is a state of law that should not be allowed to prevail in a free and democratic country like Canada.

• (1010)

The bill which I have introduced is the culmination of years of study and consultation, starting with the 1976 report of the Law Reform Commission of Canada entitled *Mental Disorder in Criminal Processes* which noted numerous problems and inequities and recommended extensive procedural changes and further studies of existing practices employed by officials directly involved with mentally disordered accused.

These studies were undertaken by the Department of Justice which in 1983 and 1984 carried out Canada-wide consultations first on a detailed options paper and then on a report with draft recommendations.

[*Translation*]

Subsequently, the 1986 draft bill served as a starting point for consultations with representatives of the provincial and territorial governments and with Health

departments, Attorney General departments and correctional, social and community services.

Departmental officials also had meetings with judges at three different levels, with Crown prosecutors, defence counsel, health officials and members of review boards established by the lieutenant-governors. Many non-governmental bodies were consulted, including the Canadian Mental Health Association, the Canadian Medical Association, the Canadian Hospital Association, the Canadian Association for Community Living, the Schizophrenia Society of Canada and the Advocacy Resource Centre for the Handicapped.

Consultations with the Department of National Defence led to proposals for consequential amendments to the National Defence Act, to ensure that offenders suffering from mental disorders, whether they are subject to this Act or the Criminal Code, receive the same treatment, to all intents and purposes.

Under the Criminal Code, courts may order a psychiatric assessment of the offender at various stages in the court procedures, but only for the purpose of determining whether the accused is unfit to stand trial or whether the balance of the mind of the accused was disturbed where the accused was charged with an offence arising out of the death of her newly born child.

[*English*]

The bill expands the range of purposes for which an assessment may be ordered and spells these out. The bill provides that assessments are to be made out of custody unless circumstances require that the accused be held in custody.

We are proposing that the length of time allowed for an assessment vary with its purpose. Assessments for fitness can generally be done more quickly than assessments of the mental state of the accused at the time of the offence, or for the determination of the appropriate disposition. The bill therefore permits up to five days, excluding travel time, for a fitness assessment and a 30 day maximum for the other initial assessments.

In exceptional circumstances, a longer period of time may be permitted or an extension may be granted, but under no circumstance can the total length of an assessment exceed 60 days.

At present there is a risk that incriminating statements made to a doctor during a court-ordered psychiatric assessment may be used as evidence against the accused. As a result, many defence counsels advise their clients to refuse to answer questions during such assessment. This deprives the doctor of a very important source of information about the accused and undermines the effectiveness of the court order.

At the same time, concern has been expressed by prosecutors that completely prohibiting the use of this evidence would deprive the court of important information needed to learn the truth about the accused and the offence.

Our insanity defence is based largely on the M'Naghten rules which were formulated in Britain during the 19th century. For the purposes of liability under the criminal law, section 16 of the Criminal Code states that a person is insane if he has a "disease of the mind to an extent that renders him incapable of appreciating the nature and quality of an act or omission of knowing that an act or omission is wrong".

The majority of those with whom departmental officials consulted agreed that the defence worked reasonably well and the only change needed is to modernize the language in the section. For example, we have replaced the term "insanity" by the phrase "mental disorder" in order to bring it in line with current psychiatric views.

One important change made in this bill is to alter the nature of the verdict from the current "not guilty by reason of insanity" to "the accused committed the act or made the omission but is not criminally responsible on account of mental disorder".

The new verdict is superior to the present one. First, a number of psychiatrists have indicated that persons found not guilty by reason of insanity delude themselves into thinking that they have done nothing wrong, and this presents an obstacle to therapy.

Second, it explains more accurately what the verdict represents. Under the present wording, the public finds it difficult to understand how the accused could be found not guilty despite proof that he committed the offence.

Prior to the Swain decision, the Criminal Code required judges to order the accused into custody after a verdict was rendered that he is unfit to stand trial or was insane at the time of the offence.

The deprivation of the accused's liberty was automatic, even in cases where the accused received treatment while on bail pending trial and no longer represented a danger to the community.

This provision was struck down by the Supreme Court of Canada in Swain as being inconsistent with the Charter, subject to a six-month period of temporary validity.

The bill does away with this rigid rule and allows the court to make a non-custodial order where that seems appropriate in the circumstances, pending consideration of the case by the review board. That consideration must take place not later than 45 days after the court hearing unless the court is satisfied that there are exceptional circumstances.

Moreover, the bill gives the court the power to make a disposition itself if the court can readily do so and if it is clear that a disposition should be made at once. This gives judges a range of options including detaining the accused or granting some measure of liberty depending on the facts of each case.

[*Translation*]

As I mentioned earlier, the Criminal Code does not oblige the lieutenant-governor to establish a review board. However, in provinces where such boards exist, the lack of uniform rules of procedure across the country and the arbitrary nature of some of the boards' practices have aroused considerable criticism.

Another complaint has been that lieutenant-governors exercise powers that are obsolete, including the obligation to look after the mentally handicapped, children and the elderly, which historically has been that of the monarch.

The purpose of this bill is to make considerable changes in the powers of review boards. It abolishes the lieutenant-governor's duties in this respect, makes review boards compulsory and gives them the power to make decisions.

These changes reflect the current situation, because it is the boards that hear the evidence, observe the accused and have the qualifications for making the appropriate decisions.

A review board must have at least one psychiatrist, and if there is only one other member, that member must be either a psychologist or a medical practitioner. The bill thus recognizes that matters submitted to the boards are often multidisciplinary in nature and that the contribution of other medical professionals to the assessment may be useful.

[*English*]

The bill sets out minimum procedures which courts and review boards must follow during hearings to determine what disposition should be made. The procedural requirements in the bill strike a balance between protecting the right of the accused to a fair hearing and the need to provide flexibility in the details of how a particular hearing will be conducted.

The bill provides that the accused and his or her counsel will have access to all reports and information before the hearing takes place and will be present at the entire hearing unless this could result in serious interference with the accused's rehabilitation or recovery, or in serious physical harm to another person.

In such cases, the information and reports will be withheld and the accused excluded from that part of the hearing unless the interests of justice require that the information be disclosed notwithstanding the anticipated harm.

The bill creates a framework of principles which are to be applied when deciding what disposition should be made. They are the protection of the public from dangerous persons, the reintegration of the accused into society and other needs of the accused.

Another guiding principle is that the disposition imposed initially and subsequently is to be the least intrusive or onerous option having regard to the other principles already noted.

The public and the accused are further protected because the system allows quick action if there is significant deterioration in the accused's condition. Another proposed procedural protection is the right to appeal a disposition based on the facts of the case, the law or both. The legislation provides that such appeals are to be heard by the provincial court of appeal as soon as possible.

At present, there is no power to order a person detained pursuant to a Lieutenant-Governor's warrant to submit to treatment involuntarily. Apart from emergency, there is no power to treat an accused without obtaining consent. We have concluded that the general rule preventing the involuntary treatment of mentally disordered accused ought to be preserved. However, subject to stringent safeguards, the bill permits a court to order involuntary treatment to make the accused fit to

stand trial, thereby avoiding a potentially lengthy period of detention.

• (1020)

The present system permits persons detained pursuant to Lieutenant-Governor's warrants to be detained indefinitely, potentially for life. Although in practice most warrant detainees are released after a few years, there is considerable variation between provinces as to the average length of a warrant. In recent years there has been strong opposition to the indeterminate nature of the warrant. It has been argued that warrant detainees are discriminated against as a result of their mental disorder because they are subject to indefinite detention, whereas those convicted of the same offences receive definite sentences.

The bill imposes three outer limits on the length of time an accused can be held as either unfit to stand trial or not criminally responsible.

First of all, for first and second degree murder and for high treason and some military offences in time of war, the maximum is life. Second, for offences involving danger to the person or to the security of the state, the maximum is 10 years or the maximum penalty which could be imposed, whichever is less. Third, for all other offences the outer limit of detention under the authority of the criminal law is two years or the maximum penalty which could be imposed for the offence, whichever is less.

These provisions which we refer to as the capping provisions will apply retroactively to those now detained on Lieutenant-Governor's warrants. Young offenders will also be included in the proposed changes to the law. The maximum for youthful offenders will be the maximum which could have been imposed upon conviction, namely two years for less serious offences and three years for more serious offences and under the proposed new amendments to the Young Offenders Act, five years for murder.

This does not mean that dangerous persons will automatically be released into the community upon reaching the maximum or upper limit. The Attorney General may apply to the court at the time of the verdict to have the accused declared a dangerous mentally disordered accused. If the court is satisfied on the basis of criteria similar to those used in dangerous offender applications under the existing Criminal Code provisions, it may substitute an indeterminate detention for the normal 10-year limit. The transitional provisions of the bill allow similar applications to a commissioner in relation to mentally disordered accused who are on Lieutenant-Governor's warrants at the time this bill comes into force. The accused would of course still be evaluated by the review board at least once a year.

Moreover, persons released on reaching their maximum may be detained under provincial mental health legislation if they constitute a danger to themselves or to others. Some provinces may wish to amend their mental health legislation to ensure that it adequately provides for commitment of those who are viewed as being potentially dangerous if not detained. I have indicated that these provisions will not be proclaimed until the provinces have been allowed a reasonable time to amend their laws if necessary.

The unfit accused faces an additional potential source of unfairness. By definition, such persons have not yet been tried and may be innocent. As well, if the unfit accused is detained for a long time, the Crown may no longer be able to prove its case against the accused. If the case could not be proven, it is unfair for the criminal justice system to continue to detain the person. The bill provides new protection for unfit accused by requiring the Crown to present proof to the court every two years that it could prove its case if the accused were then brought back for trial. In cases involving unfit youthful offenders, such proof must be provided on an annual basis.

Some accused, though they are not unfit to stand trial, are nevertheless acutely mentally ill at the time of trial. There is no authority in the Criminal Code to order that part of a sentence of imprisonment be served in a treatment facility or a hospital. Judges often make recommendations that the accused receive treatment but they are not binding on correctional officials. Some mentally ill offenders are transferred to provincial mental hospitals under agreements between the government departments involved and others are sent to federally run regional psychiatric centres. However, these centres often have lengthy waiting lists for admission.

[*Translation*]

Madam Speaker, the bill also contains provisions with respect to hospital orders that will allow persons suffering a mental disorder in an acute phase and who have been found guilty, to receive, with their consent and that of the hospital, treatment for a maximum period of 60 days, for the purpose of stabilizing their condition. At the end of the 60-day period, which is considered to be the initial part of the sentence, the hospital and prison authorities may decide whether such persons can go to prison and serve the rest of their sentence or should continue to receive treatment.

Some provinces are concerned about the financial repercussions these provisions may have, even if they only apply in cases where treatment is urgently required.

We believe that the hospital order provisions in the bill will not have a serious impact on the financial resources of the provinces. However, considering their concerns, I have agreed to postpone the coming into force of these provisions for two or three years, so that pilot projects can be conducted in one or two provinces.

[*English*]

This concludes my summary of the most significant points in this bill. There are a number of other subjects dealt with in the proposed revisions to the Criminal Code, such as provisions to facilitate interprovincial transfer of mentally disordered accused and for the arrest without warrant of those who breach dispositions or are unlawfully out of custody.

The bill also provides for the revision of two other acts, the National Defence Act and the Young Offenders Act, to bring them into line with the revisions to the Criminal Code.

I would urge members on both sides of the House to expedite the passage of this humanitarian legislation. The proposed changes will create a more equitable balance between the rights of the mentally disordered offenders and the need to protect the state. It deserves their support.

I would like to move:

That Bill C-30, an act to amend the Criminal Code (mental disorder) and to amend the National Defence Act and the Young Offenders in consequence thereof, not be referred to a legislative committee but be referred to the Standing Committee on Justice and The Solicitor General.

Madam Deputy Speaker: The House has heard the motion of the Minister of Justice. Is there unanimous consent for this motion?

Some hon. members: Agreed.

Motion agreed to.

Mr. George S. Rideout (Moncton): Madam Speaker, it is a pleasure to rise and speak on this particular bill and to assure the minister that we on this side will co-operate as much as possible for the quick review of this particular legislation. We will certainly co-operate to the fullest in light of the Supreme Court of Canada's decision and the fact that we are facing a major deadline of November 2 for new legislation to be in place.

We on this side of the House as well are supportive of the general intent of the legislation. We are looking forward to hearing from different groups and organizations that we are sure will bring new thought and light with respect to the bill and hopefully point out where there may be errors or weaknesses in the legislation.

We concur with the minister's comments that this legislation may require some fine tuning and some adjustments. We look forward to hearing from the different groups and organizations that will come before the Standing Committee on Justice and The Solicitor General.

The present situation really is an unjust situation. I think the Law Reform Commission categorized it very well when it said that a person who is labelled mad and bad is doubly damned. That is what we have seen in this country over the last little while, that people could really lose their rights to have even a trial, to be found guilty or not guilty, and at the same time end up in an institution for an indeterminate period of time and even, although highly unlikely, for life. That really was an unacceptable situation that should have been corrected quite some time ago.

All we have to do is take a look at some of the case histories of people who have been caught in this particular situation. There was recent publicity in some of the media talking about some of the people who have been caught up in the web. One was a Daryl Jones who was classified as a psychopath and found not guilty by reason of insanity of rape, robbery and attempted murder of a young woman in 1974. He has been trying to get into a less confining circumstance. The pros and cons of whether that is right or wrong need not be dealt with at this

particular stage. I might agree with the fact that maybe he should be staying in a maximum security facility.

• (1030)

The problem is that every year his case comes up for review. He has been before the review board every year for approximately 15 years. The latest time was in January and he heard through the grapevine, as these people always do, that he was going to be transferred to the Kingston psychiatric hospital, but the waiting list was long. What is going to happen to this gentleman is that by the time the waiting list gets up to his name, he will probably be back to be reviewed again and will start the process all over again. That is the inequity in this situation.

Another interesting inequity is the fact that about 60 per cent of psychopaths are in prisons serving a definite period of time rather than in hospitals. Therefore that 60 per cent will back out on the street once their time is over and others who are in under a Lieutenant–Governor's warrant may be there for an indeterminate period of time. The unfairness of that is obvious.

Another problem is that we do not really have the facilities, the technology or the wherewithal to study the individuals involved, to give them the necessary treatment or to determine the likelihood of repeat offences of the types of things they have done. Therefore we do see where there are some very serious problems.

Our information is that probably right now there are about 1,100 people across Canada who are held under Lieutenant–Governor's warrants. The detention is supposedly for a cure. The whole idea is that they are in under these warrants because they are going to get help and assistance to correct the medical problem they face and therefore be released into society and be serving and contributing members of society. In actual fact there is no treatment and this is just another form of cruel and unusual punishment with respect to some individuals.

The review boards looking at these types of situations are really overworked and there is a great deal of delay. As a result, most people are finding that they are not released and they are not getting the treatment they deserve.

In this sense we laud what the government is attempting to do in trying to correct this situation. Our main question now is to determine whether in fact it has.

I must be critical of the government for two reasons: first, because that is what we always are on this side of the House and, second, because this time they deserve it.

The Law Reform Commission studied this particular problem in 1976, and the government knew after the Charter of Rights and Freedoms came down that the situation was contrary to the Charter of Rights and Freedoms but again it chose to do nothing.

My information is that draft legislation was ready in 1986. Here we are in 1991 under the gun because the Supreme Court of Canada has done what everybody knew it was going to do, and that is strike down the provisions. Now we have to scramble to try to put together a law that will meet the tests and serve the public. In that sense, I must criticize the government for taking as long as it has. It is about time that we get on with the task.

The legislation itself appears to strike the proper balance. Again we are going to require the input of a number of different organizations before we know for sure. It does create the new category of dangerous mentally disordered persons. It strikes that balance of protecting society, but at the same time trying to get people out of institutions and back as contributing members of society. We will have that category of dangerously mentally disordered persons. At the same time we will have a system which puts a cap on how long these people have to stay in institutions. Hopefully the proper support systems will be put in place so that these people can be rehabilitated and integrated into society.

The Charter of Rights and Freedoms must be for everyone and this legislation will ensure that the Charter of Rights and Freedoms is in fact for everyone.

Under the old system a person could be found not guilty by reason of insanity even before he was tried. As the minister said, he could have been found not guilty in the initial stages and the that trial would not even proceed. However, because he or she is insane, he or she is in an institution. That was an unacceptable situation. It not only offended the charter but was an offence to

fundamental justice because there was a great injustice created by this situation.

At the same time, with the new category of dangerous mentally disordered persons, we will hopefully be able to protect society. Law and order and the proper protection of society has to be one of our overriding concerns.

I happened to be on the committee that examined the parole provisions in the new legislation which the Solicitor General has announced. It provides better controls of parole, early release and the non-early release of dangerous criminals. We are moving in the same area with this designation so that society will be protected, while at the same time those who can be helped will be helped.

The Liberal Party is supportive of the bill going to committee. We have concerns in three or four areas and I would like to highlight them.

Testimony given before the justice and solicitor general's committees on Bill C-67, dealing with detention and parole, indicated there was a lack of facilities and a lack of treatment for inmates. This was in the sexual or psychiatric problem areas. We are going to be following that up. The intent of this bill is to make a fair degree of treatment and facilities available. However, we are concerned that while the bill may be laudable, the gap between intent and reality is fairly large. It is going to require a major commitment by this government to put in place those facilities and those capabilities, with the participation of the provinces, so that what is intended is achievable.

In a lot of cases people will be released into the system and utilize community-based services and a lot of the provincial health care and mental health care systems. We already know that those systems are taxed to the limit. The question is whether the government has a commitment to provide necessary funds to the task and assist provinces in this particular area.

We are going to see a situation in which more people will be released into the system. If we allow these people to fall into the cracks then we are going to be facing a serious problem in the near future. The overall intent of protecting society will be lost because we did not provide the right treatment, the right facilities or staff. There is a heavy onus on the government to move in this area.

Another area which we feel should be looked at concerns the victims and their involvement. We can all appreciate the situation of the victim realizing that maybe this person is going to be back out on the street tomorrow or the next week or whatever.

• (1040)

The victims also have a stake in this legislation and they have a role to play. We should do what we can to ensure that victims have a say in the process and make the process responsive as well to the victims. Then they hopefully will be supportive of what is taking place, or at least have the feeling that they had a say in what is taking place.

It is a pleasure to support the general intent of this legislation. It is a pleasure to be co-operative with the government, as we always are on this side. It has been my experience that we are probably the most co-operative opposition this House has seen. This is another clear indication of such co-operation.

We look forward to seeing this bill before the committee. Despite the government's claims to the contrary, we have been a positive opposition. We look forward to this bill coming before committee and we look forward to hearing from as many people as possible.

It is my understanding, and I hope the minister can confirm it, that the government is requesting an extension from the Supreme Court of Canada so that we do not face a November 2 deadline and have to hurry this legislation through.

We on this side will support at second reading this particular piece of legislation.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, the member for Port Moody—Coquitlam, justice critic for the New Democratic Party, is unable to be here today. It is unfortunate the government was not able to arrange for this debate to occur when he was here.

In his absence I would like to say that we support the bill. We are anxious to send it to committee where there is work to be done on amendments. There have been many amendments suggested by the Canadian Mental Health Association, for instance, which I think should be considered seriously by the government. I am sure there may be other suggestions which could be considered in committee.

We are debating this bill today because in May the Supreme Court of Canada struck down the previous law dealing with the criminally insane and ordered that new legislation be put into effect by November 2. As a result we are in the difficult—but I suppose not insurmountable—situation of having to introduce new legislation by November 2.

There may be the extension which the hon. member referred to. Perhaps we will hear from the minister at some point about whether that extension is being sought and whether she expects to receive it.

We need not have been in this position. There was an intention on the part of a previous Minister of Justice—now the Minister of Fisheries and Oceans—in 1986 to deal with this issue. Those amendments died on the Order Paper and were not resurrected until this very late hour. It is too bad the government did not see fit earlier to address what everyone knew was a problem, what everyone knew the Supreme Court would eventually rule. However, that is so much water under the bridge. We have the bill before us and we are anxious to send it to committee where it can be worked on and hopefully improved.

Under the old system, which this bill seeks to change, people accused of crimes who were deemed mentally unfit were automatically held for indefinite periods on Lieutenant-Governor's warrants. Though the cases were reviewed annually, in theory offenders could have been kept in a mental hospital forever, even for minor offences.

The Supreme Court ruled that this system violated the rights of mentally ill people. It is estimated that about 1,100 people are currently being held on Lieutenant-Governor's warrants across the country. Bill C-30 proposes to match the period of incarceration to the crime. That would mean that someone acquitted of murder by reason of insanity could still be confined for life while someone who committed a minor crime and was willing to undergo psychiatric treatment might be released on supervision. Those judged to be still dangerous after their terms in hospital could be detained for an additional period under provincial mental health legislation.

Madam Speaker, as I said before, there have been many amendments suggested, and some problems raised, with the actual contents of the bill, by the Canadian Mental Health Association. It is a rather lengthy and constructive criticism that it has put together, and I do not propose to go through all of it.

I would hope that in all the deliberations of the committee, and of the government, we would always be seeking to find that right balance between the protection of individual rights and the public safety, and when a dilemma is involved in this case, that the error would be on the side of public safety while, at the same time, trying to address what are obviously problems in the existing system with respect to the protection of individual rights.

We look forward to having this bill debated and improved in committee, and we hope that the minister might, perhaps on a point of order, answer the question about an extension.

Mr. John Nunziata (York South—Weston): Madam Speaker, I appreciate the opportunity to make some brief submissions on the bill before Parliament today.

I must, however, take the minister and her government to task for putting this Parliament, and the Canadian public, in the position they are in today. We were told by the Supreme Court of Canada in May of this year that we had six months to put a law on the books. Otherwise, there could be some very dire consequences as a result of this government's inaction over the last seven years to deal with this specific problem and, in particular, those who are found not guilty by reason of insanity.

While this minister seems to be more concerned about the words to *O Canada*, the criminal justice system in Canada is in desperate need of repair and reform.

It took the Supreme Court of Canada to get this minister, and this government, off their collective duffs to get some action in this particular area. In 1976, the Law Reform Commission of Canada made recommendations in this area. That was 15 years ago.

In 1986 this government promised legislation. That was four years ago. This government promised legislation in this area to deal with these significant problems with regard to our criminal justice system. Where has the government been over the last four or five years?

Finally, the Supreme Court of Canada had a case to decide, and it decided in a six to one decision in May of

this year that the law was unconstitutional. Where has the government been for the last number of months?

Now the minister has the audacity to come and tell this House, and the people of Canada, that we have to pass a bill that is dozens of pages long in the next few weeks. If we do not, the Supreme Court of Canada has said that the law is off the books, and the Canadian public will have to suffer the consequences.

The minister comes before this House today suggesting that she is blazing the way to criminal law reform with regard to those who have been found not guilty by reason of insanity. The minister has to take some responsibility for the predicament she is putting this House in.

We on this side of the House agree that this bill should go to committee, but we resent the fact that the opposition will have very limited time to hear from expert witnesses right across the country in order to have this law in place before the imposed deadline by the Supreme Court of Canada.

The defence counsel, Clayton Ruby, who acted for the individual who had this case decided in the Supreme Court, put it right when he said that the justice minister should be ashamed that the draft law has not yet been introduced. That was back in May of this year.

The minister should have been on her feet apologizing to the people of Canada for inaction. She seems to be overly concerned about unimportant matters rather than dealing with an issue that is important to people throughout this country. I am not only speaking of this particular aspect of the criminal justice system.

There are a number of different areas in the criminal law system in Canada that need reform. We have been waiting patiently on this side of the House for some of those reforms. People in my constituency in metropolitan Toronto walk around in fear of what is happening to our city and to our communities. This minister is concerned about the words to *O Canada*, yet she does not appear to be concerned about the fact that in Toronto the murder rate a number of weeks ago had already broken all records. She seems to be unconcerned about the drug problem in our community, and every major urban centre, including her own community in Vancouver.

• (1050)

Rather than dealing with the root problems of our criminal justice system, this minister is content simply to sit there and do nothing. She is a do nothing Minister of Justice. She ought to be introducing legislation every day in this House to deal with all kinds of different matters that the Law Reform Commission has recommended to this government, that the sentencing commission recommended a number of years ago. This government spent millions of dollars on that particular commission to make recommendations with regard to reforming the sentencing system in Canada. She ought to be working with the Solicitor General to ensure that parole reform is brought into place in Canada.

A Solicitor General a number of years ago, just prior to an election as a matter of fact, a Conservative Solicitor General, said that this government is concerned about the parole system in Canada and the mandatory supervision in Canada. We are going to bring in all these wonderful reforms to make sure that the public is adequately protected.

Now we realize that that was only an election ploy in order to garner some cheap political votes rather than taking effective action immediately.

I call on the minister to get her act together with the Solicitor General, with her justice department, to bring in those reforms. People are fed up. She knows about the De Villiers family whose daughter was murdered in Burlington just a few months ago. She knows that just a few days ago the De Villiers family, with the help of my colleague from Hamilton, launched a nation-wide petition, in effect telling the government to start some action, start reforming the criminal justice system. The aggrieved parents of a murdered child have had to become political activists in order to get this government moving.

That is the travesty of this whole situation. The De Villiers family is not the only family out there waiting for some justice because of this government's inaction. We have the Pollington family whose daughter and two grandchildren were brutally murdered 14 years ago. That person now is released on day passes into the community in order to celebrate his birthday, or celebrate Christmas, when that person brutally murdered three people

14 years ago. Next year this person has the right under the criminal law to seek a review of the parole eligibility date in his case.

Is it not any wonder that people are fast losing respect for the criminal justice system when we hear about these cases. We heard about the Gingras case in Alberta where a convicted murderer was given a day pass to celebrate his birthday at the West Edmonton Mall. Could you imagine that? A convicted murderer was given a day pass to go to the West Edmonton Mall to ride the roller coaster after having committed a gruesome murder.

What did that individual do? He escaped custody and murdered three other people. He murdered other people as a result of that day pass he was given. Talk about negligence. The family of one of the victims that was murdered after this person escaped is now before the civil courts. Not only did they have to suffer through the brutal death of their daughter, now they have to go through the civil courts in order to get some justice because this government fell asleep at the switch. We had a number of other cases over the last number of years. There was the Melvin Stanton case in Toronto where a young woman was murdered because this person was prematurely released after having committed a murder. The Sweeney case here in Ottawa involved a half-way house worker who was killed by someone released from prison after having committed a murder.

Enough is enough. I may appear to be a little exercised and passionate this morning, but I have just cause because this government is not taking the action necessary in order to ensure that the public is safe out there.

Even the police in metropolitan Toronto are critical of this government for its lack of action with regard to Bill C-67 and the drug problem in metropolitan Toronto. The metropolitan Toronto police, the best police force in my view anywhere in the world, busts its butt to bust drug dealers in metropolitan Toronto and to freeze and seize the assets of drug pushers in metropolitan Toronto.

One would think that the federal government would share the proceeds of that seizure of assets of criminals. This government refuses to transfer back to municipalities assets that are frozen and seized by local police forces across the country. It is a new way of taxation for this government. This government is living off the avails of drug pushing in Canada.

In 1989, $39 million was seized by law enforcement officials right across the country. In 1990 it was estimated that that figure was over $60 million. Instead of transferring that money back to the police forces across the country in order to combat crime and fight the drug problem in major urban centres across the country, this government is taking the money and putting it into its general revenues.

It is a new form of taxation. The government is living off the avails of drug pushers in this country, and it ought to be sending that money back.

Whereas my colleague was rather generous in his comments with regard to this particular bill, and I agree we will support it in principle and do everything we can to expedite the passage of the bill, it will not be without some very direct criticism of this government for its lack of action in the criminal law area in Canada.

We call on the government to immediately bring in legislation to deal with the parole system in Canada. We call on the government to immediately deal with the problems associated with mandatory supervision in Canada where convicted criminals are automatically released after having served two-thirds of their sentence.

Yes, we have Bill C-60, a bill that will allow detention orders, but under the law in Canada today, one can serve two-thirds of a sentence, then is automatically released, unless the government can show reason why one ought to be further detained.

We call on the government to bring in some reforms in that area in order to ensure that the public is protected. We call on the government to tighten up the immigration laws in this country so that when a landed immigrant is convicted of serious criminal offence, immediate action is taken for that person to be deported.

We call on the minister to amend the legislation in order to ensure that people who are convicted of serious criminal offences are stripped of their citizenship and deported. It is time that this government started getting tough when dealing with people who have as a preoccupation the breach of serious law in Canada.

I make my submissions because of the dozens and dozens of calls that I receive in my constituency office and because of what I am told by my colleagues about the numbers of calls they are receiving from their constituents about the concern they have with the crime problem in Canada.

It is not an issue that is discussed or debated often in this House. This minister's government seems to be very preoccupied with the constitutional question. Yes, it is an important question. Yes, the economy is an important issue that ought to be addressed by the House of Commons, but so is the criminal justice system in Canada.

People are fed up. The De Villiers family is fed up. The Pollington family is fed up. The Woodward family is fed up. Victims of crime right across Canada are fed up with this government's attitude toward the criminal justice system. They are calling on this government to take immediate action in order to make sure that people at least have the sense that the government cares about law abiding citizens, innocent victims of crime in Canada, so that people will at least be satisfied that the government is addressing the issue.

• (1100)

We should not be placed in a position where unelected Supreme Court judges are telling this Parliament what to do because this government has negligently failed in its responsibility to legislate in the area of criminal law reform.

Getting back to this particular piece of legislation, the minister is only introducing the bill because a six to one Supreme Court of Canada decision told her to introduce this bill. If it was not for the Supreme Court of Canada and the majority decision, not only telling her to introduce this bill but also telling her how to introduce it and what type of bill ought to be introduced, this minister would still be sitting there concerned about the words to *O Canada* and whether or not *The Star Spangled Banner* is a better national anthem than the Canadian national anthem.

The minister laughs, but not only is Clayton Ruby ashamed of this particular Minister of Justice, Canadians across the country are ashamed. I call on Canadians to call the Minister of Justice and their Conservative members of Parliament to tell her and her colleagues to get off their butts and start getting serious about reforming the criminal justice system in Canada.

Madam Deputy Speaker: It being eleven o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

PERSONS WITH DISABILITIES

Mr. Jacques Tétreault (Laval–Centre): Madam Speaker, in early September, the Prime Minister announced in Winnipeg a national strategy for the integration of persons with disabilities. The hon. Robert de Cotret, the Minister responsible for the Status of the Disabled, stated that, on its own, no institution or organization can break down the barriers that prevent the full participation of persons with disabilities in the life of the community, that the co-operation of the provincial and municipal governments, volunteer organizations and many others is required.

Today, Madam Speaker, I want to stress the leadership the City of Laval has shown in 1987 when, recognizing the needs of the disabled, it embarked upon a vast program to provide them access to public facilities and services.

The mayor of Laval, Gilles Vaillancourt, said at the time that "to ensure that persons with disabilities enjoy a quality of life equivalent to that of other citizens is to restore a basic right."

Under the leadership of Monique Gauthier, a member of the town council, an access committee was established which developed an ambitious action plan and already has several achievements to its credit.

For 1991, the city has allocated $200,000 to the "*Accessibilité Plus*" program.

* * *

[*English*]

THE ECONOMY

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, this country is in the midst of a deepening

economic crisis, a crisis into which we were led by this government and its masochistic economic policies.

Just yesterday, a multinational corporation in my riding of Scarborough—Rouge River, Philips Electronics, announced that it was phasing out the manufacturing of its high resolution monochrome monitors by mid-1992, leaving 253 workers unemployed.

Why are they doing that? The corporation claims that poor economic conditions in North America have had a negative impact on the personal computer industry.

Canadians these days do expect and accept adjustments in product manufacturing, but this government has pursued economics and taxation policies which have left our Canadian entrepreneurs in a barren desert. A free trade agreement that encourages manufacturers to leave Canada, extraordinarily high interest rates and interest rate spreads, a high dollar that is killing our exports and that is going higher every day and taxation policies and procedures that discourage even the best of our entrepreneurs—

Madam Deputy Speaker: I regret the time has expired.

* * *

RESPIRATORY THERAPY WEEK

Mr. Ross Stevenson (Durham): Madam Speaker, this is Respiratory Therapy Week, a time for all Canadians to focus on the need for eliminating toxic effects of tobacco smoke and other air pollutants.

Respiratory disease prevention through education means keeping the public aware of serious health problems arising from smoking and other contaminants released into our environment.

Now that Canada and the United States have a joint commitment to improve air quality, Canadians of all ages must make personal decisions about smoking and other factors affecting respiratory health which are within their personal control.

I want to thank the Canadian Society of Respiratory Therapists for their commitment to promoting health of Canadians.

AGRICULTURE

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, for the past two days in Cornwall 1,200 grade four students from throughout Stormont—Dundas attended the first farm fair of its kind in eastern Ontario.

The students were able to gain first-hand knowledge about the dairy, fruit and vegetable crop industries. These students have shown a keen interest in agriculture. Some of them may wish to go into farming as a career.

However, as Canadian farmers know, the future of agriculture is in serious doubt. Producers are concerned about the continuation of supply management. The government has repeatedly stated its commitment to strengthening article XI at the GATT and now sit by and see it abandoned.

Farmers are questioning the government's commitment to the preservation of supply management under article XI. Supply management enables our farmers to put the best food products in the world on the tables of Canadians for a reasonable price. It is the cornerstone of Canadian agriculture and producers want to see some hope for the future.

I call upon the government not to give in at GATT and sell out Canada's farmers, including the farmers of tomorrow.

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REFERENDA

Hon. Alan Redway (Don Valley East): Madam Speaker, many Canadians are now advocating the holding of referenda on major issues. Both Saskatchewan and British Columbia will have a referendum question on the ballot in the upcoming provincial elections.

Thirty of the United States presently have a provision for referenda. Americans refer to it as direct democracy. The critics of direct democracy say that the ballot questions are usually numerous, lengthy and confusing, that voters are often uninformed or subjected to manipulation by expensive media campaigns which oversimplify or mislead and that professional petition gathering firms charge millions of dollars to get just one question on the ballot.

Is that what Canadians really want?

* * *

JUSTICE

Mr. Rod Murphy (Churchill): Madam Speaker, what Canadians really want is a federal election right now.

Yesterday the Supreme Court of Canada ruled that Mervyn Lavigne, despite his protests, must pay some of the costs others incurred as a result of his unsuccessful court case.

The National Citizens Coalition has been funding the Lavigne case and they have been running a series of fund raising ads for their own organization based on the Lavigne case.

In other words, the National Citizens Coalition wants to raise funds from secret donors on this issue. They want to be able to spend these funds without reporting to the public how and where this money is spent and they want to force others into expensive court cases, but when the courts rule against their case, they do not want to have to pay the costs.

The National Citizens Coalition, as usual, wants a free ride. What they demand of others they do not demand of themselves. I say to the NCC: list your corporate backers, list your donors, list your expenditures and pay up when you lose.

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FISHERIES

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, the needs of Cape Breton fishermen are immediate. The Maritime Fishermen's Union has written and made representations to the Minister of Fisheries and Oceans requesting assistance in the form of special programs that will address the catch failure of Cape Breton's inshore longline fishermen. The loss our fishermen have endured has been devastating and the need for assistance is critical. These fishermen have faced a catch failure in waters off the coast of Louisbourg and Glace Bay to a degree unprecedented since Canada's declaration of the 200 mile limit.

It is only a matter of weeks before winter will be upon us and it is going to be a long, cold winter for fishermen, especially for those with absolutely no income whatsoever. I urge the Minister of Fisheries and Oceans to do the right thing and address the needs of these fishermen and their families so that they can survive the failure of the 1991 fishery.

Their needs are real. I urge the minister to act and to act forthwith.

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[*Translation*]

THE CONSTITUTION

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, the proposals on federalism and the economic union, combined with the main proposals for a renewed Canada, make a balanced package. They meet the need for federal leadership to strengthen the economic union we all benefit from as well as the need for all levels of government to work together.

These proposals are not final. They were presented as a discussion paper for the public to discuss and debate. We have the unique chance of building a country to our liking.

Together, we must make fundamental changes to enable Canada to continue to thrive in an ever-changing world, while ensuring that the true aspirations of all Canadians find an outlet and are fulfilled within a united country.

• (1110)

The future of our country is at stake here, Madam Speaker. It has worked for 125 years and we must give ourselves every chance to see that a strong and united Canada can continue to exist.

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[*English*]

DISCRIMINATION

Ms. Margaret Mitchell (Vancouver East): Over the past months I have received a number of complaints regarding the treatment of people of colour at border crossings. For example, an Asian woman said she regularly has her car checked and she feels harassed when she hears comments like "How can she afford such a nice car?" A black man was ordered into the Customs office although he said he had nothing to declare. He noted two other black persons in the office.

My assistant and two friends of Chinese heritage submitted a well documented complaint regarding unfair treatment at the border. Their complaint of January 1990 still has not been dealt with.

Why are these kinds of incidents occurring and what can be done to prevent discrimination? First, few if any Customs officers are people of colour. I understand this was not remedied in recent hirings.

I call on the Minister of National Revenue to immediately implement employment equity within his department by targeting racial minorities for future job openings. The minister and his officials must ensure that all people are treated fairly. People of colour—

Madam Deputy Speaker: I'm sorry, the hon. member's time has expired.

* * *

PROPERTY RIGHTS

Mr. Garth Turner (Halton—Peel): Madam Speaker, the Government of Canada is proposing to restore to Canadians the right to own property, but the importance of this move has been muddied by what has become at times an hysterical debate. Misinformed critics are telling Canadians that the right would somehow supersede the rights of society. Today's myth is that bestowing property rights on individual Canadians would give them the right to acquire any property, including restricted firearms.

Absolutely not, Madam Speaker. The individual's right to own property would not wipe out society's right, or Parliament's right to ensure that we have effective gun control. All individual rights that the Charter gives Canadians do not supersede society's rights.

The Charter guarantees us the right to security of the person, for example. But that does not give us the right to carry weapons to protect that security. The Charter guarantees us the right to liberty, but that does not give us the liberty to do something restricted by the Criminal Code.

In a democracy the state can do nothing better than ensuring its citizens have as many rights as possible, and restoring this right is a major contribution to democratic freedom in Canada.

[*Translation*]

PUBLIC SERVICE

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I wish to express the deepest discontent concerning the statement made yesterday by the President of the Treasury Board on the bonuses that senior civil servants and Crown corporation executives will receive.

[*English*]

During debate on Bill C-29, the infamous back to work legislation, I called on this government to treat its employees fairly and to set an example by limiting the salaries of members of Parliament by the same zero percentage from the same date. By accepting a salary increase which we as members received, we have signalled to our employees that the playing field is indeed unequal.

I reiterate today that the government is treating its Public Service employees unfairly by forcing them into zero per cent salary increase legislation while at the same time paying its senior managers exorbitant bonuses on top of their already substantial salaries.

[*Translation*]

If we are to believe this government when it says that everyone will be treated equally, I say, "Do it." On behalf of average public servants, I demand that the government—

Madam Deputy Speaker: I am sorry, but your time has expired. The hon. member for Wild Rose.

* * *

[*English*]

GUN CONTROL

Mrs. Louise Feltham (Wild Rose): Madam Speaker, 97 per cent of all Albertans want a safer world with more gun controls in place. A large number of my constituents are in favour of stricter gun control, especially in the areas of storage, safety and education, also greater restrictions on the accessibility of paramilitary weapons.

However, most feel that adequate laws are in place now if they were adhered to. They are asking the government to put greater pressure on all provinces to

ensure that all gun offenders are prosecuted and that gun offences are not used as a bargaining tool.

They have also requested that any future proposed changes to our gun laws be dealt with in an open process, allowing for public input. That the Governor in Council could make gun law orders without public knowledge is a major concern to all.

* * *

EUROPEAN COMMUNITY

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I would like to call the attention of the House to a background paper released yesterday by the government called *The European Community, a Political Model for Canada*.

I had an opportunity to read through this last night. Unless I missed it, one of the things that struck me as profoundly inadequate in this analysis of the European model, is that there is absolutely no mention anywhere in this paper of the social charter that has been adopted in Europe as integral to the single market which is to be adopted in Europe in 1992.

I say to the government: If you want to have an intellectually honest discussion about the European community as a model, and this paper is otherwise a good paper, raising some serious questions about that model, to have published as a background paper something that does not even acknowledge the social charter—

Madam Deputy Speaker: I apologize. The hon. member's time has expired.

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EID-MILAD-EL-NABI

Mrs. Beryl Gaffney (Nepean): Madam Speaker, last Sunday I had the pleasure of attending Eid-Milad-El-Nabi, an annual event hosted by the local Ismaili Muslim community to commemorate the birthday of the prophet Mohammed.

Messrs. Diamond Lalani and Abdul Khanani were instrumental in the organization of the celebration, which is of particular significance to the Muslim community at large.

The Ismaili Muslim community is well established throughout the nation's capital, as it is throughout Canada. A principle of this community is to be concerned with the quality of life of all those among whom they live and who are in need.

The community of Nepean has benefited enormously from their hard work over the years. The Ismaili community has launched several fund raising drives for charities, including the Kidney Foundation, Heart and Stroke Foundation, Children's Aid Foundation, the Canadian Cancer Society, to just name just a few.

It gives me great pleasure to rise today to pay tribute to the Ismaili Muslim community.

* * *

CANADIAN ASSOCIATION FOR COMMUNITY LIVING

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, last evening, members of Parliament from all sides of this House met with the Canadian Association for Community Living. That organization is holding its annual meeting in Ottawa this weekend. Many members of Parliament went last evening to say hello and to informally pass information and express our thanks to those people for the fine work they do from one end of this country to the other. The Minister of Finance was there as well.

I want to thank these people for the fine work they do. We appreciate it very much. They go about their work very quietly but very effectively, doing the types of things that all Canadians are pleased to see happening in their own ridings. They do it very quietly, very effectively, and I am very pleased that many of these people in my own riding are here with us today. I thank them for coming to Ottawa and I thank them for the very, very fine job they do in all parts of this country.

ORAL QUESTIONS

[*Translation*]

TREASURY BOARD

Ms. Sheila Copps (Hamilton East): Madam Speaker, in the absence of the President of the Treasury Board, my question is for the Deputy Prime Minister. Last week, the President of the Treasury Board told the House this about the famous bonuses: "Since the bonus comes at the end of the year, when it will be given, it will

be in the amount of 0 dollars and 0 cents." Why did the minister make such a statement to the House when he knew that it was not true?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, when the budget was presented, it was announced that for the pay period starting after the budget, everybody would get zero per cent increase. There was zero amount available for increases in salary. There was no mention of retroactivity. There was no intention to be retroactive with anybody.

The system in place put in by the Liberal government in 1981 is that senior salaries have a bonus which is averaged between zero and 10 per cent in the last few years, which is decided upon after recommendations by a board of directors. These senior civil servants have not received the bonus for the pay period that preceded the budget.

Is the hon. member suggesting we go retroactive in deductions for everybody else who receives federal funds?

• (1120)

Ms. Sheila Copps (Hamilton East): Madam Speaker, my question is for the Deputy Prime Minister.

One thing that Canadians do value is fairness. I ask the Deputy Prime Minister whether he believes that it is fair that hot on the heels of the largest back to work order in the history of the country we find out that while government secretaries and clerks will not receive one penny of increase this year, top level appointees of the Prime Minister are eligible to receive Christmas bonuses this year of tens of thousands of dollars.

Does the Deputy Prime Minister believe that these Christmas bonuses for the big cheeses are fair?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, it is false and misleading to describe these as Christmas bonuses. They are not Christmas bonuses in any way, shape or form.

The government of the party she supports introduced this system a number of years ago. An independent outside committee evaluates the salaries and has recommended this procedure.

If the hon. member is suggesting another procedure should be used, we would welcome her suggestions and consider them. I think it is patently unfair and dishonest to try to confuse the people of Canada by suggesting there are Christmas bonuses and that we should act in that way.

Ms. Sheila Copps (Hamilton East): Madam Speaker, what is patently unfair and dishonest was the statement made in the House last week, and I quote: "It will be zero for salary increases and it will be zero dollar bonuses for all these people".

That was a statement made by the President of the Treasury Board to justify the largest back to work order in the history of the country.

I ask the Deputy Prime Minister, on behalf of the government, if he thinks it is fair. Does he believe that the Canadian people think Christmas bonuses for the fat cats and nothing for the secretaries is fair?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, let me repeat again slowly.

For the pay period after the budget, 1991-92, the increases and the bonuses are zero, zero. That is simple enough to understand.

For the pay period prior to the budget, the same pay period for which she and I received our 3.78 per cent and for which PSAC received 4.7 per cent, the total remuneration package has not yet been decided and will be evaluated.

To call that a Christmas bonus is misleading and is not helping the quality of public discourse in this country.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, they are not Christmas bonuses. They are bonuses paid at Christmas.

I want to ask the question as well of the Deputy Prime Minister about this fairness. This year the janitor who cleans the building where the Deputy Prime Minister works will have received zero per cent increase and a zero bonus and will not have any money to buy presents to put under the Christmas tree for his children.

Does the Deputy Prime Minister think it is fair that the president of CN Rail will get an $87,000 bonus under his Christmas tree, courtesy of the Government of Canada? Is that Tory fairness?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member must have a particularly skilful teacup reader to tell him what decision the government might take when it receives recommendations which it has not yet received. That figure is totally false.

Let me repeat again. The hypothetical janitor last year received a 4.7 per cent increase. The hon. member received a 3.7 per cent increase. The final remuneration package for senior managers for last year has not been decided upon because the recommendations have not yet been made.

For the period 1991–92 there will be a zero per cent increase for senior management and a zero bonus. I think that is simple enough for even the hon. member to understand.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, let me quote from *Hansard* at page 2929. It reads:

> —when comes the time for the bonus at the end of the year they will receive a cheque for the amount of zero cent, zero dollar.

That was said on September 30.

[*Translation*]

Madam Speaker, Canadians want to know why this injustice from the government? Why nothing for workers who earn $15,000 a year and an $87,000 Christmas bonus for the President of CN Rail?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member's repetition of that figure for the CNR chairman is just as wrong in French as it was in English. I wish he would stop misinforming the public.

Let me repeat again, as the President of the Treasury Board said for the fiscal period 1991–92 which followed the budget it is completely consistent with what was said in the budget and said by the President of the Treasury Board in the House. The increase is zero. The bonus is zero.

Why cannot that simple fact be accepted? How does the opposition find it of value to the quality of public debate in this country to continue to try to misrepresent our position?

Mr. Rod Murphy (Churchill): Madam Speaker, the fact remains that a number of senior people, a number of political appointees, received a pay increase in March. These same people will receive another pay increase in December. In other words, the government is both the Easter Bunny and Santa Claus for those people.

My question is for the Minister of Finance. He is always concerned about the deficit. The Public Service strike is over. If this government is so concerned about the deficit, why can it still afford to put expensive ads in a national paper against the Public Service strike? Why is this ad still in the paper after the workers are already back at work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is just simply to convey to the public the information in a correct and factual manner.

Mr. Rod Murphy (Churchill): Madam Speaker, I have a serious question for the Minister of Finance and Deputy Prime Minister.

How can the government afford expensive ads? How can it afford Christmas and Easter bonuses? How can it afford not to do what the Auditor General said with regard to the $5 billion a year in contracting out? How can the government afford to do that without the independent evaluation that our Auditor General has called for? Why not do that?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, there is an independent evaluation of the remuneration for senior managers. It is a system put in place in 1981. If the hon. member has a better system to recommend to the House, we would be pleased to hear it.

As for his suggestion of Christmas bonuses and Easter bonuses, it is just as inaccurate when coming from that party as coming from the Liberals.

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary question is for the Minister responsible for the Status of Women.

Will the Minister responsible for the Status of Women please explain to the women of Canada why the govern-

ment can afford hefty bonuses for government appointees but cannot afford to pay its women public servants a decent working wage? Will she explain, please?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, I can assure the hon. member that the women in the Public Service are paid equitably and fairly.

In fact it is interesting to note the wage gap in the Public Service is much less than in the private sector and that we have made significant advances in terms of promotion of women. We have doubled the number of women in our management categories. We have increased significantly the number of women in professional and scientific categories.

We are the only government that has implemented pay equity, which involves increasing salaries for many of the lower paid women in significant amounts as well as the $500 signing bonus they will receive for those earning less than $27,000.

* * *

[*Translation*]

TRADE

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, my question is for the Minister of Finance. Can the minister tell us at what level the Canadian dollar should trade in relation to the American dollar and the Mexican peso for the Canada—United States—Mexico Free Trade Treaty to be beneficial for Canada?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I have indicated in the House before, the value of the dollar is set in the international marketplace. What is encouraging is the fact that interest rates in Canada have dropped to a four-year low.

As further evidence that the economy is improving today it has been reported that the composite indicator, which involves some 10 leading components in the industrialized sector of Canada, has shown a further increase of 1.2 per cent. That is an increase of 1.2 per cent over the previous month of .9 per cent. Further, what is more encouraging is the fact that this is the first time in six years that all 10 components have risen together. I think it clearly demonstrates that we are on the right track toward sustainable growth and sustainable recovery with price stability. I think all Canadians should be encouraged that that has occurred.

• (1130)

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, the House leader for the government makes a big point about the quality of debate in this House. It is not helped by this minister constantly reading a set piece answer from a child's primer on economics.

The high dollar, following upon the American agreement, decimated our industrial base; but going into the Mexican agreement it is crucial that this government remove the shackles.

Is this government going to throw Canadian workers to the wall or is the government—

Mr. McDermid: Wolves.

Mr. Martin: Wolves, you've got it, baby. It was yours. Or, is the government going to give us a strategy to lower the Canadian dollar so that we can compete in a very different economy? Don't read me something that you have already had prepared.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am sorry that the hon. member gets so disturbed with good news. This is information that was just released this morning. It wasn't contained in the primer. Maybe, if the hon. member had received the information, he would have prepared his question a little differently.

I will give the member a little more good news. Automobile sales are up by 10 per cent. Truck sales are up by 17 per cent. That is another solid indicator. Interest rates, the key to growth in the economy, the key to job creation, the key to economic activity, are at a four-year low and the hon. member should be applauding that rather than criticizing it. Why does he not get on board and be a little more optimistic?

* * *

DE HAVILLAND

Mr. Sergio Marchi (York West): Madam Speaker, my question is for the Acting Prime Minister. It relates to the fate of de Havilland.

Yesterday not only did the government not commit itself to securing the future of Canada's leading aircraft manufacturer, but the federal minister of industry sug-

gested that the only initiative should come from the province.

How can the federal government possibly divest itself from this country's aerospace industry and be so indifferent to the number one aircraft producer which directly employs 4,900 Canadians in Toronto and thousands of other Canadians in the province and across the country? Why give Canadians another Avro Arrow disaster?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member forgets the tremendous involvement of the federal government in helping de Havilland over the years through DIP grants.

As a matter of fact when this particular company was sold it had 3,600 employees. It now has 4,900 employees. Even more important than that we are disappointed, as I am sure the hon. member is, the arrangement that was being worked on did not work out. I gather Boeing has other options. We stand ready to help in any way we can.

Mr. Sergio Marchi (York West): Madam Speaker, my question is again for the Acting Prime Minister.

This morning Boeing announced that starting next year 1,100 jobs will be cut at de Havilland, one-quarter of its work force.

Given that Metropolitan Toronto is reeling from double digit unemployment, that its manufacturing base is eroding at an alarming rate, and that thousands of permanent jobs have left the city, how can Canadians have any confidence in this government that it is serious about curing these serious economic ailments when it is prepared to wash its hands of de Havilland which only happens to be the leading industrial employer in all of Metropolitan Toronto?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member clearly did not listen to a word I said.

We have expressed our interest to help and we of course will be there as we have been in the past. Metropolitan Toronto certainly is going through an economic crisis, and we had the Canadian Federation of Independent Business yesterday tell us why: that 94 per cent of small business people in Ontario feel as a result of the NDP budget that the climate for starting a business and growing a business in Ontario was not as strong as it was before.

We as a federal government are very proud that we have put in place the lowest corporate rate for small business in the OECD. We are very proud that we got rid of the manufacturers' sales tax. We are there to help the business community, not to attack it.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the Ontario government in fact is the only government which has said that it will support and back up de Havilland in these tough times. It has said that it will keep de Havilland operating in so far as it is possible for it.

We now have 1,000 jobs cut today. What is this government going to do to get this important part of our industrial structure back on its feet? What are you going to do for those jobs?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member should be reminded of how many jobs have been created in de Havilland since the federal government took its action to sell it a few years ago. We had been there with a number of grants in the past.

I am also reminded that the French group, Aerospatiale, said yesterday, I think it was, that it might appeal against an EEC veto on its takeover with Italian partner, Alenia, of Canadian aircraft manufacturer de Havilland. "There must be a change in Brussel's policy and, if an appeal would help achieve that change, we will do it", its president said.

We have that appeal going on and we have the record of the federal government standing behind this company, and we will continue to stand behind it.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I may just shift to another area of "good news", such as the Minister of Finance talks about, like this 1,100 job loss that is taking place today.

I want to ask a question of the Deputy Prime Minister. Farm leaders have asked to meet directly with the Prime Minister in Winnipeg today because, as this letter from corn producers shows, they reject the government's claim that help is being provided that is even close to what the government promised in March.

I want to ask the Minister of Finance if he will make a commitment today that the help he promised when he was Minister of Agriculture will actually be provided.

That means a billion dollars for the 1990–91 crop year. Yes or no.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Prime Minister will be meeting with representatives of the farm community in Winnipeg today and he will be advising them that commitments made while I was agriculture minister will in fact be delivered. The cheques are now being processed and are being sent in the mail. He will be telling them they will be receiving up to $1.5 billion before the end of this year and a further $1 billion plus in the period January to June 1992.

If $2.5 billion is nothing then his description of $1 billion and mine are quite different. I know that the farmers of Canada will recognize $2 billion when they see it.

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[*Translation*]

IMPORTED CARPETING

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, my question is for the Minister of National Revenue. On August 6, an anti-dumping investigation was launched on carpeting produced by tufting machines made in or exported from the United States of America.

The complaint maintains that the share of the Canadian market held by imports from the United States rose from 8 per cent in 1988 to 28 per cent in 1990. The industrialists who approached me said that dumping accounts for up to 91 per cent of the distribution market.

Can the minister tell us whether he intends to speed up the investigation of this issue, given that serious harm is being done, 1,000 jobs were lost in 1989 and 1990 and plants are threatened with closure?

Madam Deputy Speaker: I am sure that the hon. member has a question. It would be time to ask it.

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, I understand very much the hon. member's concern on this very important matter. I can confirm that an investigation into the matter did begin on August 6 of this year. It is proceeding in its normal expedient and efficient way. These investigations do reach conclusions that are satisfactory to the industry as they have done most recently in British Columbia in the beer war with the Americans in the anti-dumping areas.

The investigation is proceeding in its expedient fashion, and we would hope that a decision will be reached at the earliest opportunity which of course will be made public for the benefit of the industry.

* * *

• (1140)

THE ECONOMY

Mr. John Manley (Ottawa South): Madam Speaker, when the Minister of Finance addressed the OECD in Paris in June he said, and I quote:

> Those who lose jobs during periods of economic slowdown such as we are now experiencing may well find their new positions in different industries, occupations or regions.

Would the minister explain to the House what industries, occupations or regions of Canada he thinks Canadians are likely to be leaving?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, unfortunately we have had some pretty clear evidence coming from the province of Ontario, largely as a result of the economic policies of the provincial government of Ontario. What is interesting is that 36 per cent of small business owners are contemplating relocation. That figure is from a survey of 3,539 small and medium-sized businesses and is a rise from about 20 per cent in March.

What is interesting is that this is directed toward the budget and the economic policies of the government of Ontario. Eighty-six per cent of the small business sector in Ontario said that they consider the business climate in the province as being unfavourable. Only 3 per cent view conditions as being favourable for business. Ninety-four per cent of the survey respondents saw the Ontario budget as being irresponsible; 2 per cent believed that it was responsible.

I think that what you have is a shift and a restructuring and an adjustment process going on. The hon. member knows that the high tech information based economy is one that is upon us and there will be shifts in the economy based upon that reality.

Mr. John Manley (Ottawa South): Madam Speaker, I am sorry I did not ask the minister the question for which he had a briefing note.

Given that perhaps Ontario is one region he expects people to leave, what other industries and occupations and what policies or programs does he propose to help the people who are going to go through this period of adjustment?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): The hon. member is quite familiar with the realities of the marketplace and the economy and knows very well that there has been a shift into the high tech information based sectors of the economy, and a bit of a downplaying in the manufacturing sector. That is not to say that the manufacturing sector is going to disappear, but it does mean that there will be greater emphasis on the service sector, the high tech sector and the information based sector. The fact of the matter is that we are in a globalized economy and have to find our respective market niches within that globalized economy and be competitive and productive if we are going to survive.

* * *

[*Translation*]

EMPLOYMENT

Mr. Douglas Young (Acadie—Bathurst): Madam Speaker, the Minister of Employment and Immigration knows northeastern New Brunswick very well. I know that he is aware of the very difficult economic situation resulting from the recession and the disastrous herring fishing season. Could the minister tell us and the workers of that region today whether his government will set up job creation programs this fall to help those affected by this economic crisis?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, the government has already indicated, and I have mentioned in this House, that we, along with the Minister of Fisheries and Oceans, were trying to get a clear picture of the situation. We know that there has been a considerable decline in the volume of fish caught. In fact, we are in the process of determining what programs to implement to help those people. I suggest that the hon. member subjunctive stay tuned, as we say. The Minister of Fisheries and Oceans is scheduled to make a statement this afternoon on this subject.

Mr. Douglas Young (Acadie—Bathurst): Madam Speaker, I thank the minister for his answer. He knows the urgency of the situation. If the Minister of Fisheries and Oceans is going to make a statement this afternoon, I hope that the Minister of Employment and Immigration will also adopt a progressive approach to this issue, because fall is a very short season in New Brunswick and winter is fast approaching. Can we expect an answer from his department, perhaps in cooperation with the Department of Fisheries and Oceans?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, the hon. member knows that Employment and Immigration already has programs to help people in such situations, for instance in the Acadian peninsula in New Brunswick. Those programs are in place and if additional resources are needed to deal with the particular situation in the peninsula, the hon. member can be assured that the Department of Employment and Immigration will be there to help the people.

* * *

[*English*]

SHIPBUILDING

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, my question is for the minister responsible for shipbuilding policy. One of the 1984 promises of this government was to adopt a national shipbuilding policy as a top priority. Instead this government has presided over the decimation of yards from coast to coast.

This week's decision on the coastal patrol vessels, while good news for shipyard workers in Halifax, left the two remaining yards on the Great Lakes with an uncertain future.

I want to ask this government what action it is prepared to take to ensure that both Port Weller and Portship can survive.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the answer of course is yes. This particular industry is in a period of rationalization. It is also in a period of revitalization. The Government of Canada has worked very hard in the last three or four years to rationalize shipyards to make sure that we can

have a proper regional distribution of the activity and we will continue to do that.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I am not sure if the minister was actually answering my question. I want to know what specific action this government is going to take to assist the yards at Port Weller, at St. Catharines, the yard at Portship in Thunder Bay, as well as the yards on the west coast. It is one thing to say rationalization. The workers in these communities want to know if they have a future in the shipbuilding industry and, specifically, I am wondering if the government is prepared to re-establish a subsidy program so that we can get back to the business of building commercial ships in Canada to be purchased by Canadian ship companies.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, a few days ago it was announced that Port Weller would be receiving some additional work and the government may be in a position to help retool to do this work.

However, this government does not believe in massive subsidies any more than it believes in massive tax increases.

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LABOUR

Mr. Garth Turner (Halton—Peel): Madam Speaker, Canada's unions are continuing to punish Canada's farmers. We have just seen the end of the disruptive PSAC strike which had the devastating effect on farmers of withholding grain shipments. Yesterday 700 grain handlers in Thunder Bay walked off the job.

Canadians are completely fed up with this level of labour strife and farmers cannot take it any more. My question is for the Minister of Labour.

Can the minister please give us an update on this mean-spirited and ill-timed strike?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, this is an outrageous situation. Quite frankly the government hopes that the six grain companies and the union involved will get together, get back to the negotiating table and work out a satisfactory arrangement.

It is absolutely unforgiving to allow this kind of situation to hold the farmers to ransom. They are having enough difficulties as it is because of depressed prices, and to see this deliberate disruption occurring not only on this occasion but on other occasions as well is totally unacceptable and intolerable.

I would hope, Madam Speaker, that all parties will get together, sit down at the negotiating table and get this situation resolved. Of course the Department of Labour will be in a position to provide mediation services to ensure that that process is facilitated.

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FERRY SERVICE

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, my question is for the Minister of State for Transport. The government recently called for tenders for a new ferry for Wood Islands, P.E.I. and is calling for specific proposals for a fixed link.

In a letter the minister told me: "I am unable to make a permanent commitment for the continuation of the Wood Islands-Caribou ferry service".

Will the minister explain why she will not make a permanent commitment to a separate transportation service to eastern Prince Edward Island?

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, I know that transportation in the Atlantic provinces is very key and ferries certainly are—yes, I have been there. I spent several weeks this summer in the eastern part of this country looking at the problems they have and working toward finding answers.

• (1150)

I know Wood Islands ferry is very important. We will continue to look at it. If there is a possibility to answer the member's concerns on this, we certainly will do so.

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, the new ferry for Wood Islands crossing is already two years behind schedule and will not be ready until probably 1994.

The people of eastern Prince Edward Island want to know that this government is committed to their ferry service. Will the minister and her government give the House and the people of eastern Prince Edward Island

the assurance of a permanent ferry service from Wood Islands, Prince Edward Island?

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, this government and myself as a minister will look into the situation. I will not make a permanent promise of this. I promise I will look into it. If at all possible, it will be done.

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HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, my question is for the Minister of National Health and Welfare.

The sleeping pill Halcion was banned in Britain earlier this week because it produces serious adverse effects. Two days ago, the minister said his department "is equipped to move very quickly within hours," if just cause were found to ban it in Canada. Can the minister tell the House today what decision he has made?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Madam Speaker, I thank the member for the question.

I think it is important to determine exactly where we are with the drug Halcion. On October 2, we requested from Upjohn, the manufacturer of Halcion in the United Kingdom and in Canada, what was the basis for the decision made in the U.K. to withdraw the drug from the market.

We have somebody from Great Britain working with the officers of my department today, giving them the information about why that drug was withdrawn. The United States is doing exactly the same thing. We expect that all countries where you can find the drug will do exactly the same operation.

I can say to my colleague that we have to obtain the necessary information on the drug. If the information provided is sufficient to believe that it should be done, as I said yesterday, the day before and I repeat today, it will be done immediately.

I believe that we have to be very conscious of the fact that we cannot withdraw a drug from the market if we do not have the scientific evidence that it should be done.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, since Halcion is known to cause acute withdrawal symptoms when taken away from the patient, and since patients on their own following the news media may stop the medication, I ask the minister to immediately send a health directive to pharmacists and physicians across the country to advise them on this issue.

Does the minister agree?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Madam Speaker, of course we will be in touch with the doctors' associations and we are asking patients using the drug to be in touch with their doctors and pharmacists.

Once again, I repeat what I said. At this time our scientific experts do not have any evidence that the drug should be withdrawn from the market. That is why we are in touch with U.K., to determine the reasons why it was done in Great Britain.

We are in touch with the United States and will be with other countries to see, but once again, the gap is very tiny between the fact that we can cripple a company over something when there may not be a problem.

That is why I can assure the member—I know the question is very relevant—that we are in touch with everybody: the press, the doctors and the pharmacists, to be sure that if there is any problem, action will be taken immediately in the direction that it should be taken.

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CANADIAN BROADCASTING CORPORATION

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, my question is for the Deputy Prime Minister. It has to do with a question raised yesterday about the future of the CBC in Winnipeg.

Winnipegers were not reassured yesterday by the answer of the Minister of Communications to the hon. member for Churchill, or by statements made by Mr. Watson yesterday that no decision had been taken.

What we want to know, Madam Speaker, is not that no decision has been taken, what we want to know is that no decision will be taken with respect to the maintenance of full regional service in Winnipeg.

I know the government likes to talk about its arm's length relationship, but the mandate of the CBC is the business of the Canadian government. Will this mandate be respected because in our judgment, having full regional service in a place like Winnipeg is part and

parcel of what it means to have a national broadcasting corporation.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, as the Minister of Communications said yesterday, and it happens to be the truth, these decisions are taken by the CBC. We cannot anticipate what its decision might be until it makes it.

The CBC, like every other arm of government, everybody included, has to operate within the fiscal restraints. If in order to meet all the expectations of the CBC, of the people of Winnipeg, the people of Calgary and so on, we have to increase taxes to do so, then I am sure the support of the hon. member for that increase of taxes would be something we would bear in mind.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, the Government House Leader would like us to believe that these kinds of decisions are not political. They are political in the same way that the VIA Rail cuts were budget decisions, political decisions taken by this government. We are asking the government not to hide behind the arm's length relationship it claims to have and which, indeed, it should have, except when it concerns the regional and national mandate of the Canadian Broadcasting Corporation.

I ask again for assurances that the full regional service which now exists at Winnipeg will not be removed.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member mentions VIA Rail. It would require about $1 billion a year subsidy to maintain it at the former level.

Will the hon. member say that he is in favour of increasing taxes by $1 billion a year to pay for VIA Rail? That is what needs to be said to put the issue in its proper perspective. It is increasing taxes or live within our means. The CBC has to live within its means.

I do not know what the decision is. The Minister of Communications does not know what the decision is. The CBC does not know what the decision is because it has not taken it yet.

LABOUR

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, my question is for the Deputy Prime Minister. As the Minister is well aware, the Thunder Bay grain elevator workers took to the picket lines yesterday. The workers have stated that the company is refusing to return to the bargaining table and bargain in good faith.

I would like to know from the Deputy Prime Minister what his government is going to do to ensure that the companies involved will get back to the bargaining table as quickly as possible.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): As I indicated in response to an earlier question, the government is pleading with the parties to get back to the bargaining table to negotiate a satisfactory settlement.

Maybe the hon. member may have some influence, because on many occasions we hear in the House very legitimate representations from members on this side and the other side of the House to the effect that there is not enough business going through Thunder Bay. We have lots of business there that is available now and into the future, but to have this kind of a labour disruption certainly is not good for the farmers who are in desperate straits. It certainly is not good for the future of Thunder Bay and it certainly is not good for the St. Lawrence Seaway. So I ask the hon. member to help us in this regard.

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, my supplementary is for the same minister. When the Vancouver grain handlers were locked out in June, it took this government only five days to introduce back to work legislation. Union leaders fear that companies will now refuse to negotiate in good faith because they believe the government will come to their rescue.

Will the minister assure all workers in Canada that collective bargaining is still the preferred option, and will he guarantee that the rights of workers are protected in this way.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think in the case of the Vancouver situation, the positions were so firmly entrenched it appeared obvious that there could be no settlement. The situation is somewhat different here.

I would ask the hon. member once again to plead with his union constituents to come to the bargaining table and we will certainly be doing the same thing with the six grain elevator companies which are the operators there, because therein lies the solution. It is high time that farmers no longer be held to ransom by this kind of activity. It is time to get the grain moving because commodity prices are low. We have made sales and there are more sales that can be made. Let us get on with it. I ask the co-operation of the hon. member.

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• (1200)

[*Translation*]

QUEBEC'S ECONOMIC DEVELOPMENT

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, my question is directed to the Minister of National Health and Welfare who is also responsible for economic development in Quebec.

I would like to know whether the minister has read the proposals made at *Rendez-vous économique 91* two weeks ago in Quebec, and whether he is prepared to support proposal No. 8, which received the full support of all economists and all economic partners in Quebec and recommended a monetary policy that would maintain the dollar at around 80 cents?

Will he talk to the Minister of Finance so that we can have a monetary policy that will help our exports, not only in Quebec but across Canada?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Madam Speaker, obviously, I talk to the Minister of Finance every day because he is an excellent minister and supports excellent policies.

However, Madam Speaker, I would like to say just this. On many occasions, the Minister of Finance has explained here in the House the facts of the government's monetary policy. All I know is that in one year—the hon. member cannot deny this is true—interest rates in Canada have gone down 500 points. In other words, nearly 5 per cent.

The Minister of Finance said a few minutes ago that the recovery—

Mrs. Maheu: What about Montreal!

Points of Order

Mr. Bouchard (Roberval): Yes, Montreal. Today, it was announced in Montreal that the unemployment rate had gone down 1.2 per cent because the number of jobs had increased.

Madam Speaker, the hon. member took the words out of my mouth.

Madam Deputy Speaker: The hon. member for Saint-Léonard, for a very short supplementary, please.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, as I was telling the minister, I think that the *Rendez-vous économique* was the first time we saw all partners together.

Will the minister responsible for economic development in Quebec ask the Minister of Finance to do something? He must consider the present situation, because it is really very bad. Something has to be done. We must change our monetary policy. Will he defend the interests of Quebec?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Madam Speaker, I will repeat what I said earlier.

The policy supported by this government is one based on permanent solutions. In 1980, 1981 and 1982, you tried temporary measures, and we know exactly what that did to this country. I realize the hon. member shares my concerns about economic development in Quebec, and especially in Montreal.

In any case, various types of action are being taken constantly, a number of measures have been announced, and more will be announced in the future. Once again, I fully support the policy of my colleague, the Minister of Finance, because I believe it will provide lasting solutions, Madam Speaker.

Madam Deputy Speaker: I have received notice of a point of order. The hon. member for Churchill.

* * *

[*English*]

POINTS OF ORDER

GRAIN HANDLERS

Mr. Rod Murphy (Churchill): Madam Speaker, my point of order relates to the questions concerning the grain handlers' strike raised during Question Period.

The Minister of Labour is now in the House. Representatives of our caucus met with him prior to the House convening this morning. Will the minister assure us and

the House that he will be taking action this weekend to ensure that the negotiations resume?

Also, will he assure the opposition parties that they will be kept informed of the progress throughout the weekend?

[*Translation*]

Madam Deputy Speaker: The minister may reply, but this is an extension of question period. If he wishes to reply, I will of course recognize him.

[*English*]

Hon. Marcel Danis (Minister of Labour): Madam Speaker, I will respond if the House will allow this Question Period to extend for one more question. During Question Period I was on the phone in the lobby with both parties in the dispute. I made known to them the concerns of the government and asked them to return as quickly as possible to the bargaining table. At the same time I offered to both parties the help of a mediator.

Of course I will let members know of developments in this strike. I impressed on both sides that such work stoppages were not acceptable to the farmers. I made my point known to them in a quite clear manner and we had a full and frank discussion. They are aware of the government's position. We hope there will be movement by both sides.

COMMENTS DURING QUESTION PERIOD

Mr. David Dingwall (Cape Breton—East Richmond):: Madam Speaker, I wish to draw to your attention the provisions of Standing Order 18 regarding disrespectful or offensive language. I am sure it was inadvertent but during Question Period the Minister of Supply and Services, as well as the government House leader who has been a model of respect and dignity for everyone in the country to view, slipped up and returned to the ways of an earlier time of debate in the House of Commons, primarily 1980 to 1984.

Would Madam Speaker take it under advisement to review the "blues" from Question Period and bring to the attention of all hon. members, particularly those who are advocating reform of Question Period, how they might be able to improve their behaviour in this House?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, in the jargon of the street that would be referred to as a cheap shot. I did hear the remark of the member for LaSalle—Émard who said something like: "Oh, keep it under control, baby", or words to that effect. I interpreted those words in the way they ought to be interpreted and that is with no malice or forethought.

What we are talking about in that provision is the use of words which have been used too often in this House. This arose out of a period when the rat pack was in full form. I congratulate the hon. member for having brought the rat pack under some semblance of control. From time to time it does get out of control. The general admonition that this kind of language should not be used is one I accept entirely. I look forward to the day when the rat pack has completely disappeared from the floor of the House of Commons.

Mr. Dingwall: Madam Speaker, I want to thank the government House leader for his apology. It is well received.

Perhaps while the government House leader is reflecting upon his remarks he might wish to speak to the Minister of Supply and Services, whose surname is appropriate in the circumstances, so that perhaps in the future he will refuse—

Mr. Andre: Point of privilege, Madam Speaker. That is a classic example which he must withdraw.

Madam Speaker, the House leader of the Liberal Party in making derogatory malicious and sexual, if not sexist, remarks about the last name of the Minister of Supply and Services is committing the sin which has brought disrespect on this House. That is the kind of rat pack behaviour I was talking about.

I would ask him to show that he is sincere about his earlier comments and withdraw and apologize to the Minister of Supply and Services.

Madam Deputy Speaker: I would like to assure the House and hon. members that my knowledge of English colloquialisms is good enough to understand that kind of reference. I am sure that the hon. member will want to withdraw that reference which does not do anything good for this House at a time when we are all trying to do a better job for the people of Canada.

The hon. member.

Mr. Dingwall: Madam Speaker, in accordance with your wishes and your directive, I would gladly withdraw the remark.

I raised the provisions of Standing Order 18. I brought to your attention the remarks by the government House leader and the Minister of Supply and Services who during Question Period continually made cat calls about the quality and substance of the questions, inferring each and every time that members were being dishonest.

That is impugning the motives of members on this side. I know that Madam Speaker will want to take the time to review the transcripts and perhaps watch the tapes to determine whether the provisions of Standing Order 18 have been breached by the government House leader and the Minister of Supply and Services.

• (1210)

Hon. Paul Dick (Minister of Supply and Services): Madam Speaker, I understand the reference which the Liberal House leader made to my name. It is something I have been used to since I was about seven years of age. It shows that he has a mentality of about a seven year old. I appreciate that. It is the truth and he shows it.

He complains about cat calls directed to the hon. member for Hamilton East. She believes she has a separate licence from anybody else in this place and makes more cat calls than the rest of the place put together.

Madam Deputy Speaker: When the hon. House leader for the Official Opposition first rose on a point of order and asked the Chair to review the "blues" and, if necessary, the tapes I certainly agreed to it. I have listened to everyone else who wished to participate in different points of orders. Obviously the hon. Minister of Supply and Services wishes me to review the "blues" and watch the tapes, which I will do, as he has not seen fit to withdraw any of the comments.

At this end of the House it is very difficult to hear everything that is being said when everyone is talking at the same time. I left it to the minister. He made his statement. I will review the "blues" and come back to the House, if necessary.

Routine Proceedings

ROUTINE PROCEEDINGS

[*English*]

FIFTH REPORT OF STANDING COMMITTEE ON ABORIGINAL AFFAIRS

GOVERNMENT RESPONSE

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, I have the honour today, pursuant to Standing Order 109, to table in both official languages the government response to the Fifth Report of the Standing Committee on Aboriginal Affairs.

* * *

[*Translation*]

SECURITY INTELLIGENCE REVIEW COMMITTEE

PRESENTATION OF ANNUAL REPORT

Mrs. Monique Tardif (Parliamentary Secretary to Solicitor General of Canada): Madam Speaker, on behalf of the Solicitor General of Canada, the hon. Doug Lewis, I have the honour to lay upon the Table, pursuant to Standing Order 32(2), the report of the Security Intelligence Review Committee. This report is to be referred to the Standing Committee on Justice and Solicitor General.

* * *

HOUSE MANAGEMENT

PRESENTATION OF ELEVENTH REPORT OF STANDING COMMITTEE

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I have the honour to present the eleventh report of the House Management Committee pursuant to Standing Order 114(2)(d). With leave of the House, I intend to move for concurrence in this report later this day.

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

Routine Proceedings

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1991

MEASURE TO AMEND

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-35, an Act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of non-controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect.

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

* * *

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

Mrs. Louise Feltham (Wild Rose) moved for leave to introduce Bill C-308, an act to amend the Canada Post Corporation Act.

She said: Madam Speaker, the purpose of this bill is to provide for the establishment of a system allowing persons who do not wish to receive direct mail advertising, or mailing of printed matter, without further address than "householder", "boxholder" , "occupant" or "resident" to notify the Canada Post Corporation accordingly.

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

* * *

CREDIT CARD INTEREST CALCULATION ACT

MEASURE TO ENACT

Mrs. Louise Feltham (Wild Rose) moved for leave to introduce Bill C-309, an act respecting the calculation of interest on credit card accounts.

She said: Madam Speaker, the purpose of this bill is to limit the application of interest relating to credit card accounts to the outstanding balance as it stands after the due date.

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

[*Translation*]

HOUSE MANAGEMENT

ADOPTION OF ELEVENTH REPORT OF STANDING COMMITTEE

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, with leave of the House, I move, seconded by my colleague the member from Kingston and the Islands, that the eleventh report of the Standing Committee on House Management tabled today be concurred in.

Motion agreed to.

* * *

[*English*]

PETITIONS

UNEMPLOYMENT INSURANCE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I have a petition which I wish to present to the House and to the government with respect to adoptive parents.

Adoptive parents across Canada feel that Bill C-21, the government's unemployment insurance legislation, was discriminatory toward their situation. The adoptive parents' leave was reduced from 15 weeks, while at the same time the time for biological parents was increased to 25 weeks leave at the time of birth.

Bill C-21 is a discriminatory step backward from previous legislation in 1983, when the House of Commons explicitly amended the UIC Act to end discrimination of adoptive parents and recognize the needs of adoptive parents.

Their key position here in this petition is that the new unemployment insurance legislation disadvantages and discriminates against adoptive children by reducing the amount of time their new parent can be home with them at a time when they most need time together for the bonding process.

[*Translation*]

NATIONAL EDUCATION STANDARDS

Mr. Mac Harb (Ottawa Centre): Madam Speaker, whereas Canada wants to remain competitive at the international level and maintain its status as first-ranking nation; whereas Canada wants competent and well-trained workers to maintain this country's competitiveness; whereas Canada wants to reduce the rate of functional illiteracy in the country, which is presently around 38 per cent, in order to be able to better train its labour force; therefore, Madam Speaker, the under-

signed, call upon Parliament to urge the government to promote and encourage national education standards, in conjunction with provincial governments, education professionals, management and labours, parents, youths, voluntary organizations and ordinary citizens.

• (1220)

[*English*]

IMMIGRATION

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, pursuant to the same section, it is my honour to present a petition signed by several hundred residents of eastern Ontario with respect to the self-exile program. They point out that eastern Europeans entered Canada legally, in good faith, for example. They were informed by the Government of Canada that their applications would be processed expeditiously. They call on the government to speed up the processing of any outstanding self-exile applications, remove the quotas which appear to have been implemented, and other things which they feel would make it easier for self-exiles from eastern Europe and the Soviet Union to be admitted as landed immigrants in our country.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Madam Speaker, the following questions will be answered today: Nos. 53, 62, 76 and 90.

[*Text*]

CHANGE OF STAFF AT CANADIAN HIGH COMMISSION, PORT OF SPAIN, TRINIDAD AND TOBAGO

Question No. 53—**Mr. Wappel:**

Within the past 4 months, has there been a change of staff at the Canadian consulate in Port of Spain, Trinidad and, if so, (a) what was the extent of the change (b) when did this change occur (c) what were the reasons given (d) was any staff (i) laid off (ii) transferred (iii) terminated?

Hon. Barbara McDougall (Secretary of State for External Affairs): Staff changes between February and May 1991 in Port of Spain were as follows:

—one locally-engaged staff rejected on probation, for unsatisfactory attitude and quality of work;

—two locally-engaged staff hired to fill two new positions;

—one locally-engaged staff hired temporarily to fill behind locally engaged acting in higher level position:

—one Canadian based staff departure (routine end of assignment).

Question No. 62—**Ms. Hunter:**

1. What is the mandate of the Canadian Unity Task Force?

2. (a) Which persons have been assigned duties under this mandate (b) what are their duties (c) what are their salary designations (d) who is the chair of the task force (e) when is the task force expected to report?

3. (a) What is the grants and contributions budget for the task force (b) which individuals or organizations have received contracts (c) what is the reporting date of these individuals or organizations?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): 1. The "Canadian Unity Task Force" does not exist in the sense of a task force and has no mandate. It represents resources that the government has approved to be devoted to Canadian Unity.

These resources are at present deployed within FPRO but, for administrative reasons, appear in the main estimates of the Secretary of State department.

2. a) & c) See Appendix I for the list of personnel whose salaries are being charged to the task force.

b) In general, the public servants are working on FPRO's activities related to Constitutional Development, and in support of the Cabinet Committee on Canadian Unity and Constitutional Development.

Generally, of these resources, one third is destined for salaries, and two thirds for operational costs such as travel, professional service contracts, research and consultations. The resources are not a permanent increase. They will sunset at the end of the fiscal year 1992-93. The funds consist of some $17M over three years. ($2.75M in 1990-91, $7.09 in each 1991-92 and 1992-93.)

d) & e) There is no Canadian Unity Task Force. There is therefore no chairperson nor will there be a report.

3. a) As part of the resources allocated by the government, $1M in each of 1991-92 and 1992-93 has been allocated for grants and contributions. To date no individual or group has received resources as the program terms and conditions are in the process of being developed for Treasury Board decision.

b) & c) See Appendix II for the list of individuals and organizations who have received contracts and the termination dates.

APPENDIX I

CANADIAN UNITY TASK FORCE

Name		Salary Range	
ABRAMS	M.	69,400	125,100
ADAMS	C.	16,895	33,899
ANDERSON	B.	20,000	79,367
BERGERON	J.	16,895	33,899
BESNER	S.	31,172	72,817
BOYD	H.	69,400	125,100
BRADFORD	M.	69,400	125,100
BREEN	G.	69,400	125,100
CHARBONNEAU	L.	16,895	33,899
CHARETTE	J.	20,000	79,367
CYR-HICKS	R.	31,172	72,817
DONOVAN	J.	31,172	72,817
DUPONT	G.	16,895	33,899
HEWETT	C.	69,400	125,100
KENT	J.	69,400	125,100
KING	M.	28,701	72,817
LAUZON	S.	61,500	72,100
MERCIER	G.	16,895	33,899
O'HARA	K.	69,400	125,100
PEARSON	H.	69,400	125,100
SPURLING	B.	61,500	72,100
ST-JACQUES	R.	69,400	125,000
THERRIEN	M.	61,500	72,100
THOMPSON	W.	16,895	33,899
VALIQUETTE	G.	69,400	125,100
WATTS	R.	69,400	125,100

September 8, 1991

APPENDIX II

CANADIAN UNITY TASK FORCE

Contracts issued to individuals and organizations as of September 10, 1991

Names	Termination dates	Contract No.
Ashras, Hossain	August 22, 1991	PS3555F1
Barber, Tim	April 19, 1991	PS3555F0
Brad Mann Communications	May 28, 1991	PS3535F1
Carter, F.A.G.	December 31, 1991	PS3607F1
Collins, R.J.	July 12, 1991	PS3560F0
Corporate Strategy Group	August 1, 1991	PS3557F1
David Milne	July 5, 1991	PS3552F1
Dillmann, Taschereau & Associates	July 31, 1991	PS3551F1
Doyle Communications	July 1, 1991	PS3568F0
Environics Research Group	April 5, 1991	1-ILA/05
Environics Research Group Ltd.	April 5, 1991	ILA/04
Farrington, L.	December 31, 1991	PS3511F1
Forbes, Nicole	March 31, 1991	PS3547F0
Gervais, Gagnon et Associés	December 20, 1990	PS3546F0
Gervais, Gagnon et Associés	December 20, 1990	PS3542F0
Gibbins, Roger	August 31, 1991	PS3542F1
Haney, William	December 31, 1991	PS3608F1
Ian B. Cowie & Associates	August 27, 1991	PS3606F1
Institute of Intergovernmental Relations—Queens University	March 28, 1991	PS3569F0
Institute of Intergovernmental Relations—Queens University	March 31, 1991	PS3570F0
Institute of Intergovernmental Relations—Queens University	April 15, 1991	PS3571F0
Lemmex and Associates	March 31, 1991	PS3715F0
Leslie, Dr. Peter	September 2, 1992	PS3611F0
Lian Public Affairs	August 10, 1991	PS3505F1
Meggs, A.M.	February 20, 1991	PS3543F0
Phillips Group of Companies	November 15, 1990	PS3534F0
Purvis, Douglas M.	August 31, 1991	PS3553F1

Ralph Hedlin Associates Ltd.	May 1, 1992	PS96210F10X
Schryburt, Guy	July 15, 1991	PS3506F1
Schryburt, Guy	February 28, 1991	PS3548F1
Seale, Lewis A.	December 10, 1990	PS3551F0
Swinton, K.E.	August 31, 1991	PS3540F1
Tait, Richard	September 30, 1991	PS3610F1
University of Ottawa	May 15, 1991	PS353107F0
Valiquette, Gerry	March 16, 1991	PS3545F0
Valiquette, Gerry	May 28, 1991	PS3535F1

Question No. 76—**Mr. Gardiner**

With regard to 1992 Celebrations planned by the government a) how many contracts have been issued to plan or help organize these events b) for what amounts are these contracts c) has a budget been set yet, and if so, how much for celebrations in 1992 d) how many staff by department have been assigned duties for 1992 Celebrations e) has the government prepared a list of themes and/or possible events to celebrate in 1992 f) what are the events g) has the government prepared a study on funding that was provided to projects in the 1967 Centennial year and, if so, what were the results?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): As stipulated by the 400 participants in the 1989 national conference entitled "Vers 1992 (toward 1992)", the government has set up the Canada 125 Committee, whose two co-chairs have decided to create a non-political and independent non-profit corporation to take responsability for the general management and co-ordination of the activities of the 125th anniversary of Confederation.

Thus far, the government has contributed $2.3 million to the corporation to prepare the 1992 programming in the coming months. The corporation will now make every possible effort to obtain the greatest financial and organizational participation it can from the private and volunteer sectors. Additional financial participation by the government in these activities remains to be determined.

Moreover, each department has identified a co-ordinator responsible for federal projects under the 1992 activities program. These co-ordinators will, in addition to their regular duties, maintain liaison between the Department or Crown corporation that they represent and the CANADA 125 corporation to ensure the convergence of everyone's efforts for 1992.

The CANADA 125 corporation has already announced the composition of its board of directors and formulated its objectives. It has assured the government that it will soon announce the theme, certain national projects and the direction of its local programming.

For any information regarding the contracts awarded before March 3, 1991, please contact the Department of the Secretary of State, which is responsible for any matters relating to this subject.

STABILIZING CARBON DIOXIDE EMISSION LEVELS BY THE YEAR 2000

Question No. 90—**Mr. Harvey:**

Has the government made a committed to stabilizing carbon dioxide emissions at 1990 levels by the year 2000 and, if so, (a) have targets and timetables been developed (b) have regulations been developed (c) have resources been allocated to implement this goal and, if so, what are they?

Hon. Pauline A. Browes (Minister of State (Environment)): (a) The government is committed to stabilizing emissions of carbon dioxide at 1990 levels by the year 2000. The proposed National Action Strategy on Global Warming which was released for public consideration by the Canadian Council of Ministers of Environment in November 1990 provides the strategic guidance for all orders of government, business, industry and individual Canadians to take the actions necessary.

(b) No new federal regulations have been developed as yet; Canada's Green Plan indicates the actions the federal government is planning to take to limit net emissions of greenhouse gases.

(c) Under the Green Plan, an additional $575 million over six years has been allocated to achieving global environmental security which includes dealing with the problem of global warming; announcements on resourcing levels for specific Green Plan global warming initiatives are anticipated over the next several months.

[*Translation*]

Madam Deputy Speaker: The questions listed by the hon. parliamentary secretary have been answered.

Mr. Langlois: Madam Speaker, I suggest that the remaining questions be allowed to stand.

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Ms. Campbell (Vancouver Centre) that Bill C-30, an act to amend the Criminal Code (Mental disorder) be read the second time and, by unanimous consent, referred to the Standing Committee on Justice and Solicitor General.

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, I am pleased to have an opportunity to address this important piece of reform legislation.

A little bit of background. This is not the first time in this House that we have taken note of the fact that our Criminal Code in many areas is vastly out of date and, in some cases, our Criminal Code has become crippled by reason of outdated concepts and procedures that have sat on the books over time and not been updated to take account of changes in the modern world and changes in conditions.

An example of that was an amendment last year to the arson provisions. Prior to that amendment, police and people in the private sector, investigators, and the insurance industry were having increasing difficulty convicting and laying charges successfully against arsonists.

One of the reasons for that is that when the current arson provisions were developed many years ago, almost as long ago as Canada itself, I suppose it is fair to say that perhaps the world did not even know exactly what fire was. There were elements of combustion not known to us then, facets of that physical and chemical reaction, consequently, we had in the Criminal Code really what was a layman's reference to setting of fires, and it referred to things like setting fire to standing crops and things like that.

Today we have crops that are in barns, in process, and we have many new ways to start fires, and we have many different types of fires. Consequently, a lot of the bad guys were playing a lot of games. Crown attorneys and police had a lot of difficulty.

Finally, after many years, and I know the initiative began long before I came to this House, that was put to bed and amended. That raises an issue about general criminal law reform and I would like to address that later in my remarks.

In any event, now we have an alteration to the wording governing procedures and definitions of the insanity plea, insanity procedures in criminal trials. I want to point something out here.

We have an alteration to the wording but not so much an alteration to the concept. There were certainly people in Canada who reacted when this bill was first introduced in the House. They reacted out of a fear that the provisions, as being proposed, were less strict and less secure from a public safety point of view than the provisions that existed before.

In my view, in terms of the definitions that is not the case. The proposals to restate what is insanity simply is a restatement in more modern language, more precise language, of what we all meant by insanity many decades ago.

To go back to what I referred to earlier, the concept of insanity in the 1800s was very ill defined. There was a judicial definition proposed, adopted and used over the years, but back in the 1800s we really did not even know all the diseases of the mind that existed. We are still learning but we know infinitely more now than we did then. We are much better able to define, to analyse and to know precisely what disease of the mind is in discussion when insanity pleas are raised.

I want to point out that this issue is not new, this issue of the insanity plea. I want to give credit to the Law Reform Commission of Canada for raising it clearly, crisply and forthrightly as far back as 1976.

It has been a long time since the matter was raised. We have coasted along for 15 years knowing that change had to be made. It has taken us this long, I do not know why, actually to address it and implement it. I am pleased that it is now before Parliament.

What gave rise to this now was not what happened 15 years ago but a Supreme Court of Canada case. It was in fact a Supreme Court of Canada charter case that triggered the justice ministry's initiative now to implement changes.

Let us therefore give some credit to the charter for pulling the trigger. The charter has been a great asset. It has been a bit of a burden but our rights should be regarded as assets to all of us. If it takes a bit of work to uphold them and make them real, viable and effective then that is a price well worth paying in our democracy.

The difficulty with the old insanity provisions and procedures revolved principally around the fact that when someone was found to be insane, the disposition and incarceration that followed a finding of "not guilty by reason of insanity" was indefinite. It was discretionary later on and in fact arbitrary.

If an individual was found "not guilty by reason of insanity", the person was regarded as ill, insane, and was confined to an institution at the pleasure of the Lieutenant-Governor of the province.

That sounds relatively safe for the public but for the individual who is confined once you go in, whether you are sick for a day or mentally sick for a year, you are there forever. It was indefinite confinement. It was based on the discretion, usually well-advised but who knows what advice was given, of Lieutenant-Governors from time to time in all of our provinces, and it was arbitrary.

Somebody, not specifically delegated by a statute of this House with specific criteria and procedures for making a judgment, but an *ad hoc* body that developed under this whole procedure, would decide whether the individual, male or female, young or old, would be released from these institutions. That was a problem recognized some years ago, as I mentioned and it took a charter case. The charter case might have had some public funding behind it. After looking at the facts of the case I will make that guess. There was a lot of interest in it and it was pursued up to the Supreme Court level. That was the trigger that finally caused the Minister of Justice to do something after 15 years. I will give credit for the doing but not for the delay.

• (1230)

What are the issues of concern to the public here? I think there are two. I have referred to the issue of indefinite confinement. It is simply not right to confine indefinitely a person who steals a candy bar while indefinitely confining a person who has killed. That is wrong. We recognize that.

This bill proposes confinement periods that match as best we can the confinement periods if the person had been convicted of the offence. For example, the theft of a candy bar is what would be called "a theft under". "A theft under" receives the low threshold of punishment. I do not think we confine people any more for a first offence theft of a candy bar.

Under the old law of insanity if a person was insane at the time they stole the candy bar, they could be institutionalized in theory forever or until someone made a decision that they should not be there.

There are three categories of confinement. There is the life sentence for murder category, the danger to public safety category with a maximum confinement period of 10 years,and for all other offences there is a maximum confinement period of two years. Therefore the candy bar thief who is insane—I am using the old term here because we have now proposed a new term—cannot be confined to an institution for more than two years.

The second issue of concern is public safety itself. I do not want to underestimate that. Perhaps I should have mentioned it first. It is not a conceptual issue. It is a real issue. There is real fear on the part of citizens in Canada. It has been communicated to me and it has been communicated to my colleagues in the House. We are very aware of the fear on the streets of Canada that the judicial, correction or criminal justice systems are not serving the needs of public safety. The people at risk are innocent Canadians across the country who may fall victim to an individual who really should not be on the street at the time.

There are a lot of examples. Unfortunately there are too many. One is too many. There are instances of people who were part of the judicial process, the corrections process, or the judicial interim release process who killed innocent Canadians while they were supposed to be a part of that process.

There is the case of Daniel Gingras in Edmonton about four years ago, the Conter case in Toronto, and recently the de Villiers case in Burlington. The last one did not involve a corrections matter, a person who had been convicted of a serious crime, but it did involve a person who was apparently relatively free, doing whatev-

er he wanted, while he was on bail after having been charged with another less serious offence.

The real question related to this bill is public safety. We accept the charter rights of these individuals who have been found to be sick. However, the public spends the money to put in place a criminal justice system, not to play games with the charter, not to have lawyers debate in courtrooms. It is not a make-work program. The justice system is there to protect society. That has to be the first priority.

I am sure most reasonable Canadians would accept the balance involved. When a person is not convicted there is a right to freedom before conviction, but there is also the question of public safety.

There is a grey area. There has to be a balance. I am sure most Canadians will accept that until a person is convicted they are presumed not guilty. In all of that decision making in courts in Canada every day we have to consider public safety.

However, after a conviction the rights of the person who has been convicted have to take second seat to public safety. That is why the system is there. That is why we have a Criminal Code. That is why we have punishment. That is why we have institutions.

Canadians are insisting on that and I want Canadians to know that we on this side of the House are very concerned and sensitive to that. I know there are members on the other side of the House who feel likewise. They want a system in place they regard as fail-safe. They cannot afford mistakes. We cannot afford mistakes. When we create electrical power in a nuclear generating station, we have many systems in place to protect the public and ensure physical safety. That is how we ought to regard dangerous offenders in our criminal justice system. They are more dangerous than a small piece of nuclear fuel and they can do a lot more damage.

We want systems in place that treat Canadians with as much respect and with as much concern for safety and concern as we do radioactive rods in a nuclear reactor. Canadians ask for that and we can give them no less.

In this bill we have created a new label for people we used to call insane. It was proposed that out of concern for this public safety issue we create a category called dangerous mentally disordered persons. That is a label required by the public safety issue we have been addressing. We must find a way to label and categorize some of these ill people as dangerous mentally disordered persons. That is what the new bill will do.

At present in Canada there are approximately 1,100 persons being held under the warrants issued by courts when they were found not guilty by reason of insanity. That is a fairly large number. One issue that concerns me is what protections are there in place for the public in dealing with these 1,100 cases as we move from the old system to the new. It is an issue I am not able to discuss in depth here in the House because it has not been dealt with at committee.

We on this side of the House will support this bill at second reading so that it can go to committee and these matters can be addressed. We need a detailed discussion, commitment, and procedures to ensure that as we go through a transition period the people held on warrants are treated with respect, are accorded the rights due to each of them under the charter, and that there are no undue risks associated with their release. I might say that in theory each of those individuals might have the right now to go to a court and demand that they be released, that is on the assumption that they could find someone who would advocate for them. I do not know whether it is possible for someone who is ill and declared to be ill, in that state, actually to go individually to a court. Certainly they have next friends and legal representatives who could do that for them. We have to make sure this transition is properly handled.

• (1240)

I want to point out that the public safety risk issue is very much before the House now. It is certainly before the justice committee. I take note that it is the intention of the government to refer this bill, after second reading, not to a legislative committee but to the justice committee.

Although I have sat on the justice committee and continue to, there is an awful lot of work there that I think is an appropriate disposition. The justice committee for approximately five or six years has been following this issue very closely. It is probably true that most of the individuals on the justice committee now are well equipped. They have been brought up to speed to deal with this issue.

It is not just this Parliament. I take note that there was a report of the justice committee tabled in this House in 1987 or the early part of 1988 called "Taking Responsibility". It was a very comprehensive, detailed investigation and report on the matters involving Corrections Canada and criminal convictions.

The government was unable to reply to that report because we went into a general election in that year. After the election the new justice committee on which I sat cared so much about that report that we re-adopted it, and that is a very rare occurrence. Those who discuss the details and fine tuning aspects of parliamentary law might question whether or not that was appropriate, but the current committee felt so strongly about the need of the government to respond that it was re-submitted and tabled in this Parliament. We are still waiting for a reply.

However, I am told and I understand that the government is, albeit very late in the day, coming through with responses to those things. Just yesterday the government replied to the justice committee's hearings on the three-year review of the gating provisions of the Criminal Code and Corrections. This also involves the Parole Act. These are the provisions that enable the corrections system to prevent the parole of an individual who would otherwise be entitled under the existing law to that mandatory supervision portion of his or her sentence. I am pleased to note that the government had accepted virtually all the material provisions of that justice committee report.

Let me wrap up by chastising the government for foot dragging. We have 15-year delays, 10-year delays, 5-year delays. We hope to revisit as well the bail provisions of the Criminal Code at an appropriate point in time. I intend, in my area of activity, to make very sure that the public safety and risk issues are dealt with properly in this bill and in other legislation hopefully to come before the House.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I rise to speak on this debate this afternoon because I feel, as I am sure everybody in this House does, that this is one of the most fundamental problems of our present day society. A society that cannot live without a state of fear is not a free society.

It has been discussed here before today that this bill is the response by the government through the Minister of Justice to the striking down by the Supreme Court of Canada of Criminal Code sections that dealt with mental disorder.

It is certainly unusual for the Supreme Court to have made the decision or to have given the Government of Canada six months to bring in a new law or risk judges releasing all those persons found not guilty by reason of insanity. As one person noted, this could include those who may well be a danger to the public. That is the crucial point of this entire bill.

The part of the Criminal Code that was struck down should be put on the record here so that the purpose of it is fully understood. That is section 614(2) of the Criminal Code which reads: "Where the accused is found to have been insane at the time the offence was committed, the court shall order that he be kept in strict custody until the pleasure of the Lieutenant-Governor of the province is known". In particular, with this section the Supreme Court of Canada decided that Lieutenant-Governor's warrants were unconstitutional.

There are a number of other reasons dealing with this, but I will go to the final one: "The decision indicates that the old law failed to distinguish between those who are still dangerous to society and require hospital treatment and those who could be safely released to the community".

In other words, they are all being put in the same category. The challenge that this legislation brings in is to separate those who are in fact very dangerous and require hospital treatment from those who could safely be allowed to be in the public domain.

The purpose of this bill is to ensure that mentally disordered persons are not deprived of their charter rights by being confined for a mental disorder without a fair hearing and a regular review of their case. In other words, once persons are sentenced they cannot be expected to be there for life if indeed their health improves.

The second point was to create a wholly new category of dangerously mentally disordered persons and to protect the public from those who come in conflict with the law.

With regard to the new charter of rights amendments, the first point was to give the provincial review boards some teeth. The boards will make case-by-case decisions

on care and detention provisions. Another very important one would be to replace indeterminate custody with maximum detention periods that are applicable: for example, murder, for life; danger to public security or the security of the state, 10 years; and all other offences, 2 years.

There are some concerns here. Whenever we pass a new law, we are all fully aware that if we do not have the facilities in place so that that new law can be practised effectively then the legislation is in danger of not succeeding with the intent that it brought in, in the first place.

For example, there was testimony before the justice committee on Bill C–67 respecting the detention and parole provisions. Review consistently indicated the lack of facilities and treatment for inmates with sexual or psychiatric problems. There is a lack of facilities and there is a lack of staff. The intent of the bill may be laudable but there is a gap between intent and reality with relation to this particular bill that we are studying today.

The government has consistently attacked our social programs and has been throwing the burden to already overstressed provincial systems. Will this bill add to the burden? That is the question.

• (1250)

Then there is the area of public security. The general intent of the bill is to release as many persons as possible to community based programs and services. However, if the preventive and security measures in the bill fail, the ramifications of failure can be death. Then we must have the facilities in place to handle these people effectively and fairly so that the justice system itself will not fail. The Young Offenders Act will be amended to reflect the special needs of youth in placement and disposition.

This is a very important piece of legislation that we are dealing with here today with regard to public safety. I just want to say in general terms about this bill and the circumstances surrounding it, that we are very familiar with the fact that drugs in Canada have been one of the root causes of many people's mental disorders. We must support the law enforcement agencies of this country, whether it is within our own community, or whether it is in the nation as a whole. Our law enforcement agencies have got to receive public support in this country if we are going to expect them to do a job.

In today's society where we have so many criminal activities going on, where we have major operators in the drug business, where we have them utilizing students in high schools and yes, elementary schools as peddlers, and where we have people roaming the streets who pretend to be the epitome of honesty and integrity and some of them end up to be drug peddlers, there is nothing more important to a free society than to have a legal administration in place to support a law enforcement agency and agencies, to bring about law and order within our country.

Indeed, this bill, if we want to carry the ramifications further, goes right through to the international drug trade because that is where it all begins, the smuggling of drugs and getting them into the system.

The public of Canada should be outraged at some of the things that are going on and should come forward to support the law enforcement agencies in their communities. They should find out what they can do to help.

We have block parent communities where we support people when they are in trouble or in danger. We have got to extend that to a more effective way of helping police authorities in this country with any information that we find out about who is peddling drugs or working with drug peddlers in the community. That is very important.

When we are doing that, we are not tattling. We could be saving several people's minds from the effects of drugs which will give them a mental disorder for the rest of their lives. As far as I am concerned, no punishment is great enough for those people who want to perpetrate that on any citizens in a free society.

We can only have freedom, as I said before, and it can only be enjoyed by everyone if everyone respects the other person's right to live in a free society with the absence of fear. The same thing pertains to this very finite decision, very precise decision that this bill requires of medical knowledge and that is, which criminals get off because of insanity or which people are charged and get off because of insanity belong in a hospital and which ones are free to go out on the streets. It places a big load on medical judgment and it is one that is going to have to be handled very precisely.

So, Madam Speaker, while we congratulate the government for bringing in this bill, the subject matter requires that this Parliament deal with it quickly and effectively and that the concerns in it be discussed in committee stage. However, it is important to get this bill in place. Indeed, we should not end there, but it will undoubtedly be looked upon as an experimental bill and there may well have to be amendments to it in the not too distant future. If that is the case, that is what Parliament is here for but it is urgent we move forward at this time.

Madam Speaker, I want to thank you and the House for giving me the time to express some views because I think there are far more ramifications out there than just this bill itself. We have got to look at the causes that create these things in our society.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I would like to make a brief comment on what the hon. member for Renfrew—Nipissing—Pembroke said. He said, and very accurately, that many of our mental disorders are caused by substance abuse. That reminded me of a recent call I received from a constituent, a father in his 60s. He is looking after his son who is in his 40s. His son was caught for drug peddling 10 years ago. He got a very lengthy sentence, served his sentence and the father admits his son did wrong, his son paid for it, but the tragedy of the incident is that the son is now at home. In the almost 10 years that he was in prison they did not teach him or assist him with any skill. So here is a person with very severe brain damage who cannot go and work. His father is very worried because he is in his 60s. He says: "I am not going to be here too long, who is going to look after my son who is in his 40s and is not trained for any kind of employment?"

So in all of our debates, I hope we will remember the importance of rehabilitation. We cannot stress that strongly enough.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, very briefly, I simply want to say that I am pleased the government has finally moved on this matter.

The government issued a white paper for discussion purposes on this subject some years ago. Because nothing was being done and the subject was clearly one that was important, I introduced a bill in this House, Bill C–295, on April 11, 1990 in the second session of this Parliament. Unfortunately the bill, being a private member's bill, never proceeded because I never won a draw until last week and that was on a motion, not on a bill.

I reintroduced the bill on June 10 of this year in an effort to spur the government to action, the same bill, Bill C–228, which is standing on the Order Paper. I just want to indicate that when this bill is adopted by the House, as I assume it will be, amendment or otherwise, I will withdraw the bill that I have on the Order Paper.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I just rise to make a few comments. I understand that the minister is quite anxious to get this bill through the House.

As my colleague indicated on behalf of our caucus, we are supporting this bill in order to get it into a committee, but I have a few comments to make on it.

• (1300)

I think the minister as well as the government should look at the aspect of prevention as a very important component of any legislation that is introduced at the federal level, especially in light of the fact that we have a constitutional discussion where the provinces are finding themselves more and more taking on responsibilities that the federal government in the past was responsible for.

There is the whole question of the mentally disabled or the otherwise able person who gets into trouble. Madam Speaker, if you would just give me a second to tell you something about a gentleman in my area of Ottawa Centre who made a comment about the homeless last year, the people he received as clients. When he was asked, he said he gets a whole range of people caught in the cycle of poverty. They have addictions, drug or alcohol, they are unemployed, they have learning disabilities, they have been victims of spousal abuse. Many have psychotic illnesses.

These are some of the people who go to shelters in my area of Ottawa Centre. These are people who go to shelters all across Canada. In fact, there are in excess of 200,000 people in our country who are considered to be

homeless. Many of those people fit within the definition of this gentleman who defined the people as his clients.

Many of those people go to the shelter for one or two nights and then eventually they move on to another shelter. In any event, one finds them sleeping on the streets, in shopping centres, in garages, abandoned cars. In many cases the weather could be as cold as minus 40 degrees.

Some of those people get so desperate that they get in trouble. Many of those people, especially the mentally disabled, who end up in those shelters are coming from an institution that probably had looked after them for a given period of time and eventually they found themselves on the street.

I want to give one example. In the Ottawa area, we have the Royal Ottawa Hospital where patients are admitted to the hospital for a short period of time so a physician might assess them, and they would have options. Either they would be sent to a regular hospital and/or they would be sent to a hospital nearby, in this particular case in our area to the Brockville Psychiatric Hospital.

Those patients might stay in the Brockville hospital for a month or two, serve their term, and eventually they are sent back home. Between the Royal Ottawa Hospital and the Brockville Psychiatric Hospital there is absolutely no mechanism to support those people. Therefore, when they are out on the street, there is no mobile system that works with the shelters in my area in order to provide them with the kind of assistance they might need, the kind of counselling they might need.

Many of those people get in trouble. Many of those people, I might add, if there had been a support service in place, would have felt better off. I think it is extremely important for the federal government to work with the provincial governments in order to set up some sort of support system that works with hospitals that provide care on a short-term basis or on a long-term basis, such as the Brockville Psychiatric Hospital. Also, the government should work with agencies such as shelters in order to deal with this incredible problem.

There is no doubt in my mind that in the long run, prevention is what is needed, providing shelter for those people and providing them with the kind of support services they might need.

I think the minister of health should get a copy of the transcript and try to approach the provincial governments to find out what can be done in this area of prevention. I am sure she will find that it is a major problem. In fact, it is one of the biggest problems we are faced with in urban centres. While there are no specific statistics on the number of homeless who might have those mental or other problems, I think this is an urgent matter for the minister to consider in her consultation. I would suggest that in the long run the whole of society will benefit from that.

In closing, I want to congratulate both my colleague, the member for Moncton, and the Minister of Justice on working collectively in order to make sure this bill is law.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and the Solicitor General.

* * *

FOREIGN MISSIONS AND INTERNATIONAL ORGANIZATIONS ACT

MEASURE TO ENACT

Hon. Marcel Danis (for the Secretary of State for External Affairs) moved that Bill C-27, an act respecting the privileges and immunities of foreign missions and international organizations be read the second time and referred to Legislative Committee E.

He said: Madam Speaker, this bill combines and abates two existing acts dealing with privileges and immunities, the Diplomatic and Consular Privileges and Immunities Act and the Privileges and Immunities International Organizations Act. It will also assist the Canadian Government in its efforts to obtain favourable treatment for the overseas offices of Canada's provinces by permitting, for the first time, the granting of limited privileges and immunities to offices of sub-units of foreign states which, on a reciprocal basis, grant the same treatment to offices of Canadian provinces.

[*Translation*]

International law requires Canada to grant privileges and immunities—certain exemptions from Canadian law—to embassies and consulates of foreign countries and to their diplomatic and consular officials. That is the purpose of the first part of the bill. The inviolability of diplomatic representatives is an important foundation of international law and one of its oldest principles.

The special legal status that we must grant to diplomats under international law is not there for their personal convenience. It was developed over the centuries to ensure that a country's representatives abroad can discharge their duties effectively and independently from the tremendous influence that a modern state can exert on an individual.

Whether they are participating in sensitive international negotiations or are busy urgently evacuating Canadians in a war-ravaged region, Canada's representatives abroad need the protection given them by their special status to be able to continue to serve Canada's interests abroad. Public international law demands that the same special status be granted to representatives of other states in Canada. The special legal status of diplomatic and consular missions is set forth in the Vienna Convention on Diplomatic Relations and the Vienna Convention on Consular Relations. Like most nations, Canada is a party to these conventions.

• (1310)

[*English*]

At present, the articles of these international conventions that relate directly to the legal status of foreign missions and their personnel are given the force of law in Canada by the Diplomatic and Consular Privileges and Immunities Act. The new act would continue to give force of law to these articles. It would also provide for more flexibility in the treatment of foreign embassies and consulates.

Within the framework provided by the two Vienna conventions, the treatment of foreign diplomatic and consular missions is governed by the principle of reciprocity. This is perhaps a rather un-Christian principle: "Do as you are done by." But it is the mechanism that ensures that the obligations undertaken in the Vienna conventions are fulfilled.

If a country treats Canada's representatives unfavourably, Canada will treat that country's representatives here in a similar manner. If Canada's representatives are treated favourably, we will then reply in kind. The new act would increase Canada's flexibility in ensuring that reciprocity of treatment is applied to foreign diplomats in Canada.

International law also grants a special status to international organizations. Membership in the UN, the OECD, and other organizations of states, carries with it the obligation to grant those organizations and their officers certain privileges and immunities. Without legislation permitting the grant of such privileges and immunities, Canada could not be a member of those organizations. Nor could we act as host for such organizations as the International Civil Aviation Organization in Montreal or the Commonwealth of Learning in Vancouver.

At present, such organizations are granted privileges and immunities by Order in Council under the Privileges and Immunities (International Organizations) Act. The level of treatment which Canada can grant international organizations has not changed since the predecessor to that act, the Privileges and Immunities (United Nations) Act, was passed in 1947. But international standards of treatment for such organizations have changed significantly, and the restrictions of the existing legislation have created difficulties for Canada's relations with international organizations, including the largest international organization with headquarters in Canada.

[*Translation*]

The International Civil Aviation Organization has its headquarters in Montreal. It is one of the great specialized institutions created by the members of the United Nations at the end of the Second World War. ICAO seeks to ensure the development and smooth operation of the world's civil aviation system. Its technical mission may explain why it is not as well known to Canadians as other specialized UN agencies like UNESCO or the World Health Organization. That Canadians consider ICAO a simple fact of life, although an extraordinarily complex enterprise like international air transportation demands the coordination of thousands of technical standards, training requirements and security measures, is perhaps a measure of its great success. We should never forget the unique importance of civil aviation in

such a vast country as Canada. ICAO's being located in Canada is perhaps a reflection of this importance.

For years, ICAO and its member states have maintained that the headquarters agreement concluded with Canada was outdated and unsuited to the new requirements of the Organization. In 1951, for example, when Lester Pearson signed the existing headquarters agreement with ICAO, it was expected that the representatives of the Organization's member states would be in Canada only for short periods every year. The Organization's practices have evolved over the years and today, there are 33 permanent missions to ICAO based in Montreal.

In response to these concerns, Canada negotiated a new headquarters agreement with ICAO last year, but it cannot come into force yet. I am pleased to say that this new bill will make it possible to implement the new headquarters agreement with ICAO, thus eliminating the problems that have complicated our very special relations with that organization.

[*English*]

However, the area of our interest is broader than just ICAO. Canada is committed to a multilateral approach in dealing with international issues and we pursue this objective through such international organizations as the UN, CSCE, the OAS and others.

One way in which we can enhance our role in such organizations is by encouraging them to establish offices, or preferably headquarters, in Canada. With modernized legislation Canada can pursue more vigorously its policy of working to attract the offices of international organizations in Canada.

Apart from the foreign policy reasons for such efforts there are significant economic benefits from such offices. The hundreds of jobs and tens of millions of dollars that ICAO brings to Montreal is the most obvious example.

On a much smaller scale the Commonwealth of Learning in Vancouver and the North Atlantic Fisheries Commission in Halifax also provide a welcome contribution to the local economy. Other countries have interests in such organizations similar to those of Canada and compete vigorously to attract them.

This new legislation will ensure that Canada can compete on an equal basis with other states in these efforts. While the first two parts of the act update existing legislation Part III is completely new.

This part would allow Canada to grant limited privileges and immunities equivalent to those granted to consulates to the offices of a sub-unit of a foreign state, such as a German land or an American state.

A number of Canadian provinces maintain offices abroad. This is a practice that is almost as old as Confederation. As a rule there is a close and co-operative working relationship between Canada's diplomatic missions and these provincial offices. Canada makes every effort to assist them in furthering provincial interests.

When local conditions so require, provincial representatives have even been given the status of Canadian diplomats to ensure they can fulfil the provincial function effectively.

It has also been an established practice for many years that when requested to do so by the provinces, Canada requests foreign states to grant privileges and immunities to provincial officers in those states.

A number of countries have agreed to grant such status to Canadian provincial offices. We have always been conscious when seeking such treatment on behalf of the provinces that we had no legal basis to reciprocate.

With this act the government will be able to grant in Canada the status it seeks for Canadian provincial offices abroad. I should note that the bill limits the privileges and immunities that can be granted to such offices to that which is granted to a consular mission.

It is important to understand that this is a limited level of privilege and immunity compared to that of a diplomat. The representative of a sub-unit, such as a consul, would have immunities from Canadian law only in respect to acts performed in the exercise of official functions. It would be up to Canadian courts to decide what is or is not an exercise of official functions.

I am pleased that this legislation will permit the grant of limited privileges and immunities to an office which the government of Hong Kong intends to establish in Canada.

Hong Kong, a British dependency, already grants a similar status to the provincial offices established in Hong Kong.

[*Translation*]

Mr. Speaker, it may seem that this bill deals with an esoteric subject, but its passage will make Canada better able to pursue an active foreign policy, to play a role in international organizations and to help provinces pursue legitimate interests abroad.

Some hon. members: Hear, hear.

[*English*]

Mr. Speaker, if I have the agreement of the Official Opposition and the New Democratic Party, I would move:

> That, instead of the bill being referred to the Legislative Committee E, the bill be referred to committee of the whole and considered at all stages this afternoon.

• (1320)

The Acting Speaker (Mr. Hopkins): Is there unanimous consent?

Some hon. members: Agreed.

Motion agreed to.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I was not aware you were looking for a new role in this Chamber but the chair suits you.

I am pleased to participate in the debate on Bill C-27, an act dealing with privileges and immunities of foreign missions and international organizations. The bill repeals two existing statutes, namely the Diplomatic and Councillor Privileges and Immunities Act and the Privileges and Immunities International Organizations Act.

I agree with the Minister of Labour that Bill C-27 permits for the first time certain privileges, immunities and benefits to be granted to political subdivisions of foreign states.

Article 2(1) defines a political subdivision as a province, state, territory, dependency, or any other similar subdivision of a state. It will also provide for extended privileges and immunities to international organizations.

The minister will be happy to learn that my party urges quick passage of this bill for it brings about, at long last, a series of legislative changes that will make Canada a better place for foreign missions and international organizations.

If Canada's diplomatic missions and those of its provinces have generally been well received abroad, it is in large part due to the extensive privileges and immunities the missions of other countries have been granted in Canada, and we take pride in that. However, Canada's remarkable reputation can only be enhanced by the provisions included in this bill, long sought by various foreign parties such as the International Civil Aviation Organization and the Government of Hong Kong.

Allow me to dwell on a few of them in the next few minutes and suggest ways in which they can be implemented. First, on behalf of my party I applaud the additions of new measures that deal with the duty of the receiving state to ensure maximum protection of the councillor posts. Canada has had its share of tragic incidents in this respect, such as the attack on the Turkish Embassy a few years ago. This time of revolutionary change abroad no doubt can and has been accompanied by massive, sometimes violent manifestations at home.

There is a need to offer all necessary protection to foreign missions established in Canada. As an example, the consular offices of Poland are situated in Etobicoke—Lakeshore next to my riding. During the early 1980s, when martial law was imposed on Poland, there were enormous demonstrations and attacks on the Polish consular offices in Etobicoke—Lakeshore. I must compliment the Royal Canadian Mounted Police and the Metropolitan Toronto Police Force on their protection of the property of that consular office and their protection of the people working in that consular office. What a pleasure it is now to see people going in and out of that consular office with no demonstrations. The same people who were demonstrating are now using the services of that consular general office.

That being said I want to stress that the legislative authority extended to the Canadian government and its police officers in this bill to protect the premises of foreign missions should be exercised with caution and according to the terms of our charter of rights.

I also welcome the entrenchment of statutory authority of the Secretary of State for External Affairs as a result of increased powers to promote reciprocal treat-

ment and to implement mutually beneficial arrangements.

While our missions have generally been treated well abroad this provision, if used appropriately, may provide the necessary negotiating tool to increase the privileges and immunities now accorded to Canada's diplomatic missions.

Third, I support the provision that provides for additional privileges and immunities to international organizations such as ICAO located in Montreal and the ones we have already mentioned. It is only fitting that their senior representatives and members of their families be treated like diplomats, a practice that has long been established in most countries over the world.

Perhaps, had this bill been introduced at an early time, an international organization such as the International Maritime Satellite Organization, IMARSAT of Great Britain, an important international organization with 500 employees, might have moved to Canada. The Minister of Labour already mentioned other organizations which could benefit from this bill, organizations such as the Commonwealth of Learning in Vancouver and the North Atlantic Fisheries Organization.

I hope the government will want to use the new measures in a pro-active way by enticing large international organizations to locate their headquarters in Canada.

Fourth, and most important, I welcome the new provision that will permit certain privileges, immunities and benefits to be granted to political subdivisions of foreign states, such as provinces, states, territories and republics, a word I am throwing in purposely.

Part III of the bill introduces legislation that is new to Canada. Presently our government cannot offer reciprocal treatment to offices of a state's political subdivision in Canada because the Secretary of State for External Affairs has no statutory authority to do so.

Political subdivisions in which offices of Canadian provinces could be granted a consular type of status have little incentive to establish consular offices in our country without the possibility of being offered reciprocal status here. I am informed that Hong Kong, a British dependency, has granted special status to provincial offices in its territory. It has been authorized to open a commercial office in Toronto but refused to do so until Bill C-27 is in force, since a Hong Kong office could only then be accorded reciprocal privileges, immunities and benefits.

The word "benefits" is used throughout this bill. The government could improve or fine tune the bill by defining "benefits". Reciprocal benefits could be anything under the sun. We are creating unnecessary future difficulties by omitting the definition of benefits. Perhaps we could discuss this when we move to Committee of the Whole.

The granting of reciprocal privileges, immunities and benefits to political subdivisions of foreign states is a change which the Liberal Party fully supports and which meets Canadian interests. It is not enough simply to declare that Canada will give better treatment to the foreign missions of substates. These changes will only bring the increased co-operation and open the necessary opportunities if it is used for that purpose by the Canadian government.

To a large extent the relevance of these changes will depend on the Canadian government's recognition that it has failed to seize many opportunities and that it requires an urgent and comprehensive review of its foreign policy. It makes little sense, for instance, to have the Secretary of State for External Affairs and the minister of industry touring the Soviet Union if these contacts are not based on development of a solid framework on which to develop our relationships.

I want to ask the minister: Is he going to implement this provision with respect to Ukraine? As we all know the representatives of Ukraine, with whom our critic, the hon. member for Winnipeg South Centre and I have met on numerous occasions, have developed long grievances over the inaction of this government on its request for the opening of a new office in Ottawa. This is not to mention the abysmal delay in the opening of our own consulate in Ukraine. Now that it is open, let us not delay in opening a reciprocal office in Canada.

Article IV of the Vienna convention on consular relations outlines how a consular post gets officially recognized. Bill C-27 is silent on the procedure of how an office of a political subdivision would become recognized. Can the minister explain why the bill is silent on this since it is a severe offence under the bill to misrepresent any premises as an office of a political

subdivision of a foreign state? The process for having such offices recognized must be clarified in the bill.

• (1330)

While I am on the subject of clarification, can the Minister of Labour, on behalf of the Secretary of State for External Affairs, clear up the ambiguity of the use of the word "state" in Part III of the bill? In the interpretation section of the bill first use of "state", for an example, that could be a state of New York in the U.S.A., and the second use it would mean a federal type state.

Let me just enlarge upon that and read the exact definition because I feel this is very important when we get to the committee of the whole.

Article II reads, under the interpretation clause:

"political subdivision" means any province, state, territory, dependency or any other similar subdivision of a state.

The first use of the "state" is a different meaning than the second use of "state." The second use of "state" could be a county of New York. The first "state" could be, yes, New York state, and then the second part could be part of New York state. So I think we need that clarified and fine tuned.

The French does not appear to have that problem because—

[*Translation*]

"subdivision politique" Province, État ou dépendance d'un État ou toute autre entité similaire de celui-ci.

[*English*]

In the French translation they use the word *celui-ci*, and in the English they use "state." I think that is where the confusion lies.

My colleague from Quebec compliments me on my French. I am learning. I am getting there.

The world is changing very quickly. New independent nations are springing up around us. Many dependent republics of today will be independent nations tomorrow, yet Canada lacks resources in our embassy in Moscow, has paid foreign mission tokenism in the Baltics, lacks presence in Latin America, and is dragging its feet in eastern Europe.

Our critic, the hon. member for Winnipeg South Centre, was in Moscow recently for the CSCE conference where he met with representatives from around the world. He tells me that other countries are not responding to recent changes in an *ad hoc* reactive fashion, but are seeing incredible opportunities in the Soviet Union and eastern Europe, and are seizing them. We are not.

While their interest in various parts of the world remains strong, the means by which we pursue those interests are too limited, and too fragmented. For this bill to bear fruit, it must be utilized to reflect the changing realities emerging in Europe and the Soviet Union, to reflect the importance of developing special relationships with new, yet to be born, nations of the world and to enhance the particular advantages of Canada.

Mr. Breaugh: Mr. Speaker, I noted that this is your first occasion in the chair since I have been here, and this is my first occasion to carry a bill, so between the two of us things might go wrong this afternoon.

I must start by admitting that this bill is not exactly a hot topic of conversation in Oshawa. We are a little involved with the Eric Lindros controversy, and we know a lot about the NHL draft, but we are not really as hep about various Geneva conventions as we might be.

I was interested, as I went through the research on the bill, to find some touch points. Sometimes in this world it is strange that things which appear on the surface not to have any impact on you or your life really do affect you.

As I went through the briefing notes on the bill and the research that has been prepared for us on it, it become quite clear why everybody should be in support of this legislation. As one goes through the different parts of the bill one can see some concerns that I would think would be legitimate about the status of people who work in offices such as this and the privileges that are accorded to them. As one gets deeper into it, one is reminded that this is kind of the way that the world has worked out its agreements on this matter. This is not a matter that Canada can change unilaterally on its own. There are ways and means to do that. This bill proposes to put in place some means of regulating what happens when someone else representing an agency comes to Canadian soil and wants to set up and do whatever it is it does.

To that extent, I think all of us in the Chamber should understand that this is becoming increasingly important in our daily lives. Many of us, I am sure, would think that this is part of the diplomatic corps and does not have much to do with the life and times of people in our

ridings. However, more and more people are concerned about what happens in different parts of the world. More and more of our industrial sectors are now starting to contemplate what they could do in a country that is trying to rebuild, that is trying to put in place a different kind of an economy.

It occurred to me that several local business people have come to me and talked about doing business in nations in which two years ago it would have been unthinkable for them to do so. But now there are opportunities there. Although there are the regular diplomatic channels which they could pursue, these are people who do not normally move in those circles. Therefore, it would be of assistance to them to have a labour organization there, a commercial organization there, someone that they know from the province of Ontario, for example, to be able to go and work on an exchange program.

There are interesting concepts that are being discussed currently, ways in which investors can go to several European countries where a year ago it was forbidden. They were communist bloc nations and it was not really possible to do much in the way of business transactions there. Now they are very open to such transactions and they need some offices such as the ones that would be covered under this bill to facilitate that exchange. This might involve the province of Ontario establishing an office that could assist in the Ukraine, for example. It might involve someone from one of those states or provinces establishing an office in Canada where they could readily get information.

All members, if they reflect on it for a while, will understand that this is becoming increasingly important as the world becomes more of a mobile place where ordinary citizens can and do move around a great deal and where there is a need for information on what is happening somewhere else in the world or in your own community and that information is needed in a hurry. Anything that facilitates or regulates that or essentially makes it something that is recognized and dealt with by Canadian law—there is an established *pro forma* way to go about it so that it can happen—is a good thing. That is essentially what this bill does.

I noticed as I went through some of the briefing notes enclosed with the bill that there are some interesting technical aspects of what role is expected of a police officer in providing security, for example, at one of these offices. It is something, I think, many members would have been involved with at different levels of government. Often the reason one cannot do what is so apparently necessary is that there is no legal provision to do so. If that sounds kind of stupid, that is because sometimes that is the way the law works. If there is not a specific law which outlines how an office is set up and recognized in Canadian law what everybody's legal obligations are, then it is questioned from time to time as to whether one can provide what would be seen as very normal and natural security provisions to an office of this kind.

On the surface the bill looks like something which would not affect anybody who might live in the riding of Oshawa, but as the member I think I could give a pretty good case that it will. On the surface it looks as if this is something that has to do with conventions struck in Vienna some time ago. I am aware that the provinces of Ontario and Quebec and several other of our provinces have agonized for many years now over just how they go about setting up an office in Washington, London, or in several other parts of the world; how to get trade and consular offices put in place; and how the various organizational groups that are playing a supportive role get established, identified and recognized under law.

Essentially what this bill does and what I find eminently supportable about the bill is that it provides a piece of framework legislation for Canada, and that makes sense. It acknowledges that such organizations exist, and that makes sense. It limits and restricts somewhat, for some of them, the kinds of provisions that would provide them with immunity. That has to do with whether they pay taxes or not, whether or not they can carry back and forth confidential information. All of these I know to be areas where there has been some confusion before, where there have been occasions where it is the absence of a law which prevents something very sensible from happening.

• (1340)

On those grounds, we find the proposal in Bill C-27 to be eminently supportable. We may have a question or two as we go through the committee stage, and I hope the minister will indulge us if we simply do not understand the language which has been used. He will have the advantage of staff and briefing notes, which we do not have to provide us with clarification.

So, with those small provisos, Mr. Speaker, you and I have made it through our first occasion this afternoon.

Motion agreed to, bill read the second time and the House went into committee, Mr. Hopkins in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-27, an Act respecting the privileges and immunities of foreign missions and international organizations.

Shall Clause 2 carry?

On Clause 2—*Definitions*

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I need your advice that this is the order to make recommendations, suggestions, et cetera. As I mentioned in my debate, I think we could improve upon the bill.

First, we said something about benefits. I wonder if the minister could explain why benefits are not included. Under the conventions and in the schedules attached to the bill, there is talk about privileges, et cetera, but benefits is a new introduction. It is probably a good introduction, but I think we need some clarification on that.

Mr. Danis: Madam Speaker, my colleague from Parkdale—High Park wishes to improve the bill and therefore wants to know what is meant by the word "benefit".

What we mean by benefits is giving access to certain rights which we have as Canadian citizens under our legislation to the people who would come here. For instance, the right of access to property if it were denied by someone or if, for instance, our access to property in a foreign country was made exorbitant or impractical by that one, that would give us the authority. In a sense I cannot call them negative benefits, but they are benefits which they should get and the federal government would be in a position to grant the benefits that you and I have to people coming over here.

It is there as a protective measure for the federal government, not that at this time we have no plans to use that section, for example access to universities or access to schools by these people. is a general clause that would allow the government to do things in case they are needed.

Mr. Flis: I thank the minister for that explanation. Under the Vienna convention they use the wording of facilities, privileges and immunities. I thought those kinds of benefits might be covered here. If they are not, I can appreciate maybe why the wording has been changed. I like creative thinking. I like our country being the first to bring in some changes.

The second item I would like to bring to the minister's attention is again what I mentioned in the debate, the use of the word "state". Article 2(1) reads:

> Political subdivision means any province, state, territory, dependency or any other similar subdivision of a state.

If we look at the United States of America, we can say that political subdivision means any state such as Florida, and then a similar subdivision of that state would be a smaller unit of Florida, whether it is a regional government or a county. It could be very dangerous if we do not amend this.

Mr. Danis: The hon. member for Parkdale—High Park is quite right, I believe, to raise the issue.

The word that we use in this legislation is the word "state". What we mean is the same meaning that is in the state immunity act. It is the word that is used internationally.

I know it creates a technical problem, but the French version is a lot clearer. Obviously, for instance, if we are talking about the Americans we are referring to New York State and not Clinton County, which would then ask us for a reciprocal arrangement under this legislation.

• (1350)

The member was quite correct. When we talk about states it would be a state but the French word, just because of the word itself not because of the legislation, is clearer. But the hon. member did not raise that in his speech at second reading.

Mr. Flis: Madam Speaker, I can accept the minister's explanation that political subdivision means any state, to use the example of New York State. However the same phrase goes on: "or any other similar subdivision of a

state". Now we are looking at a subdivision of New York State. Could you tell me what that subdivision would be?

Mr. Danis: We do not mean to refer to a subdivision of New York State. When we refer to states, if we are talking about Americans we refer to states. If we are talking about Germany, we refer to *landers*. If we are talking about Switzerland, we refer to *cantons*. It is not our intent whatsoever to include parts of states when we refer to states.

Mr. Flis: I almost feel that this bill should go to a legislative committee just to iron out things like this. I can substitute the word *lander* in Germany, which is what Germans use, and it would read that the political subdivision means any *lander* or any other similar subdivision of a *lander*. Does this mean that we would have reciprocal immunities, privileges and benefits for smaller units of a state such as a subdivision of a *lander*?

Mr. Danis: I realize that the language of the State Immunity Act might not seem clear. However, I read 2(1) in English and 2(1) in French, and in French it is quite clear. It is quite clear *subdivision politique, province, État ou dépendance d'un État ou toute autre entité similaire de celui-ci*.

It is not our intention under this legislation to provide for reciprocity with, as an example, part of an American state. When we read both sections it is quite clear. I think the confusion may be a result of the use of the word "state". There is the same problem when using the word "nation" in French, which creates problems for people who talk about the Constitution.

Mr. Flis: We are anxious that this bill be passed as quickly as possible. However, I leave it to the government to look at it again and make it clear through its notes of explanation or whatever. This would not stand up in a court of law, and I leave that to my lawyer friends in the House.

[*Translation*]

Mr. David Kilgour (Edmonton South East): Madam Speaker, I have two questions that were raised by a member of diplomatic personnel here in Ottawa.

First, about the GST. It seems this government requires the tax to be paid, and there is a refund after several months, I don't know how many. I therefore wish to ask the minister whether this bill will affect that particular issue?

At the same time, perhaps he could answer another question. The same diplomat told me recently that the present government in Canada asks diplomats when they arrive in Canada whether they can specify how long they intend to stay in this country.

Could the minister inform the House whether this bill in any way affects the two issues I have just raised?

[*English*]

Mr. Danis: This bill does not affect the GST whatsoever. Our policy is that it is done in a reciprocal way.

When countries do not charge a similar tax in their country, we do not charge the people who are here. It is done in a reciprocal way. It does not apply to every one of them.

As for his second question, which was do we ask them how long they will be here when they come here, generally when diplomats or consular officials come here we are told the period for which they are coming. It is done in a flexible way and very often the governments will renew their length of stay in the country.

However, we do have a policy which would prevent people from coming here and staying for the rest of their lives, for very long periods of time. Generally people are here for approximately three years. Obviously we have to be flexible on the issue but we still have that policy.

Mr. Kilgour: Madam Chairman, the diplomat in issue indicated that as far as he knows Canada is the only country that demands to know in advance how long diplomat *x* or *y* will be staying in Canada.

He said that it was contrary to both the Vienna convention which deals with that matter and the practices of all other industrial democracies. Maybe the minister has a further comment on that.

Mr. Danis: Madam Chairman, I have just stated the policy. If there is a specific case, such as the case that my hon. friend has mentioned, I would certainly be willing to look into it and discuss it with the Secretary of State for External Affairs.

Mr. Kilgour: Madam Chairman, will the minister tell us if the bill deals with the question of the Russian federation, Ukraine or other members of the former Soviet Union. If for example we receive an application

tomorrow from the Russian federation or Ukraine, as we might well, to send an ambassador or a representative to Canada, would this bill affect that in some way?

• (1400)

Mr. Danis: In answer to the question from my colleague, there would be two options that would be available to the Government of Canada. One, if Ukraine was recognized—I prefer not to use the word "state", I prefer the word "country"—as a separate country, then of course it would ask for diplomatic recognition here and diplomatic relations would be set up by the government. This act here would not affect that at all.

What this act would affect would be that if Ukraine became, if I could use the word under the legislation, a sub-unit of the Soviet Union, and then Ukraine would allow provincial representatives from Ontario, for example, or Alberta to Ukraine, then that act would allow us to recognize Ukraine under this act and then we would establish diplomatic relations with it.

Mr. Kilgour: Yes, but looking at the interpretation section, Madam Chairman, of political subdivision, would the minister tell the House if by political subdivision, as written, it means that Ukraine or the Russian Federation or the Baltics are for purposes of this act considered now, if passed today, to be political subdivisions of the U.S.S.R.?

Mr. Danis: Madam Chairman, the Baltic States are not a subdivision. They are not recognized as a subdivision. With regard to Ukraine, the decision then would be, depending on the referendum and a decision of the people, a decision by the government with regard to diplomatic recognition then, depending on the referendum. The answer is not with regard to the Baltic States. They have been recognized by the government already.

Mr. Mike Breaugh (Oshawa): Madam Chairman, I have three questions to ask. I think I will put them on this clause because they will fit.

One question is the matter of attaching the various conventions that you have put in this part of the bill. I would like to hear the minister's comments on whether at some point in time there are going to be disputes between those things which are printed as part of the bill, that is to say drafted as the normal law that we would see, and those things that are interpreted out of the various conventions that are attached to the bill. Could we have some kind of clarification as to which will win the day? Does the convention, which is kind of an international agreement on how to do things, supersede any opinion that you might have in terms of drafting the rest of the legislation which you have printed here?

Mr. Danis: Madam Chairman, the legislation is both in C-27 and the potential of conflict with the Vienna conventions.

I am advised that many sections of the Vienna conventions are force of law in Canada. We do not anticipate problems between this bill and what is in the Vienna conventions, and those sections which are part of Canadian law. Obviously, if there was one, then the courts would decide.

By virtue of section 12, by virtue of the regulation section, that allows the government to have the regulations. As my hon. friend would hope and as I would hope, surely the government would draft the regulations under the law, that the regulations which would be drafted under this section certainly would have to fall under the general laws that are either in this or in the two Vienna conventions that apply. I hope they are.

Mr. Breaugh: Madam Chairman, that might clarify some of the definition problems that we have been discussing about what is a state and what is not.

The second area that I wanted to explore just a touch is there is a great deal of the use of the word reciprocity here. My understanding is that that is just a general principle that is used. It also would lead one to believe that at some point in time, if one could get an agreement with another jurisdiction that went well beyond what might be contained in either of these conventions or this law, that nation or that jurisdiction might in fact have privileges that would extend well past what is enclosed or contemplated in any of these conventions or this act.

Could we hear the minister's comments on that?

• (1410)

Mr. Danis: I thank my hon. friend for his question.

When we talk about reciprocity, of course we are bound by the legislation that we have. We do agree with two sections, one in the Vienna Diplomatic Convention,

section 47, which talks about reciprocity and non-discrimination, and section 72, page 52 of our bill, which talks about consuls.

People who are considered diplomats get just about every immunity or privilege they could possibly get. There may be difficulties—I do not know if you could call them difficulties—but certainly the issue can be raised and has been raised by some that in certain cases consulates should have a type of immunity which would be similar to that of a diplomat. I am told that that is the case between the United States, the U.K., the Soviet Union, and China.

I am advised we have had one request from one government to modify the normal consulate privilege and immunities that they get and External Affairs is looking at it. It is done, I gather, in the normal course of business by External Affairs.

On the whole we are satisfied that the system we have in place is good, but does not prevent other immunities from being granted if done always in a reciprocal way.

Mr. Breaugh: Madam Chairman, I appreciate that this is pretty complicated stuff for us to be trying to deal with here on the floor without a lot of staff around, but I would like to hear comments on the power of the various ministers. I will put it in this context. The Secretary of State is mentioned and earlier the Minister of Finance is mentioned. There is clearly some ministerial powers that will be interpreted subsequently by one or more ministers of the Crown.

Is it the government's contention that where a conflict should arise, one or more of the ministers may extend the powers or may go the other way and curtail such powers. I would like to hear a little bit of an explanation as to how the government envisages that would work. I would be reluctant to be quite so enthusiastic about the bill if I thought that one person subsequently could rewrite this. I am not concerned at all that someone has to interpret particular circumstances, but I am concerned at how broad the powers given to the ministers are under this bill.

Mr. Danis: Two ministers are concerned with this legislation; first, the Secretary of State for External Affairs who, under this legislation, keeps the same powers that a minister has under other legislation. The legislation does not increase the powers of the Secretary of State for External Affairs. The powers of the secretary of state are not increased with the proviso which I told my hon. friend a few minutes ago when I was talking about consulates. That is the same.

What is new in the legislation, with regard to my hon. friend's question about powers, to use that word, of ministers, is that the Minister of Finance would have the authority to make decisions with regard to certain tax rolls in the diplomatic community. For example, if it will be to the mutual advantage of both countries to have certain diplomats exempt from certain taxes that would be done by the Minister of Finance. I believe that would be a reasonable thing for the Minister of Finance to do.

Mr. Flis: Madam Chairman, the other issue I raised in the debate was of course that the bill is silent on the question of how an office of a political subdivision would become recognized as such. Again, in the Vienna Convention, Article 4 reads:

> 1. The sending State must make certain that the *agrément* of the receiving State has been given for the person it proposes to accredit as head of the mission to that State.
>
> 2. The receiving State is not obliged to give reasons to the sending State for a refusal of *agrément*.

Let us take the example of a diplomat from Ukraine who will come, let us say, to a consular office in Toronto, Ontario. The Secretary State for External Affairs has accepted this person's accreditation, but the subdivision state, in this case Ontario, does not accept this person to work in the Toronto consular office because it felt that this person had Communist ties in the past or whatever.

So at the federal level we are saying: "Yes, this person is acceptable to serve in the consular office in Toronto", but the Ontario government is saying: "No, sorry, we cannot accept this person". I do not think the bill addresses this issue, the process of actually setting up a consular office in a subdivision of Canada.

• (1420)

Mr. Danis: Madam Chairman, my hon. friend from Parkdale—High Park is correct. The bill is silent on the issue because it was not the intention of the federal government to give a role in the recognition of a person from the Ukraine to the provincial government. If New York State wants to have someone in the City of Toronto, the federal government would recognize whoever went there. But we would not recognize someone from New York to Toronto unless we had been told by Queen's Park ahead of time that it would receive reciprocity in New York City. The decision of recognition is a federal one but we are not going to do it unless Queen's Park asks us and says that it wants reciprocity or have obtained reciprocity.

We do not believe there will be a problem with that.

Mr. Flis: In crossing the country and asking for input into our Constitution, one of the big concerns expressed is the division of powers—which powers will go to the federal government, which powers will go to the provincial governments and which powers will be shared. Does the minister not think that since we are passing a new bill this should be spelled out? If it is a shared decision the bill should say so. If it is federal jurisdiction the bill should say so.

When we pass legislation today we are passing legislation for the next 20, 50 years. Let us get it right the first time.

Mr. Danis: Madam Speaker, I see my friend's point but we feel that the bill is clear on that issue with the interpretation of section 6.(1). The bill says that the Secretary of State for External Affairs may, for the purpose of according to that office, make sure that reciprocity is offered in the other jurisdictions. As a result of the wording of section 6 that can be the only interpretation.

The government always likes to take a co-operative approach to these issues. I am sure discussions would be held with the respective provinces if there was a request for that.

Mr. Flis: Madam Chairman, I thank the minister for his explanation. My concern is on record. I hope that it will be explored further, even after the passage of this bill.

Clauses 2 to 17 inclusive agreed to.

Clause 1 agreed to.

Schedule I agreed to.

Schedule II agreed to.

Schedule III agreed to.

Title agreed to.

Bill reported.

Hon. Benoît Bouchard (for the Secretary of State for External Affairs) moved that the bill be concurred in.

Motion agreed to.

Mr. Bouchard (Roberval) (for the Secretary of State for External Affairs) moved that the bill be read the third time and passed.

Mr. Danis: Madam Speaker, on behalf of the Secretary of State for External Affairs I would like to thank all members of the House for their co-operation, allowing us to pass this bill at all stages. Specifically I would like to thank the hon. member for Parkdale—High Park and the hon. member for Oshawa. I am sure it will allow the government to better pursue its national foreign policy objectives.

Motion agreed to, bill read the third time and passed.

Hon. Marcel Danis (Minister of Labour): Madam Speaker, I believe that if you ask the House you will find there is unanimous consent to call it four o'clock.

Madam Deputy Speaker: All being in agreement we will call it four o'clock.

It being four o'clock p.m., the House stands adjourned until Monday next at eleven o'clock a.m.

The House adjourned at 2.28 p.m.

HOUSE OF COMMONS

Monday, October 7, 1991

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

INCOME TAX

QUARTERLY INSTALMENTS

The House resumed from Thursday, September 26, consideration of the motion of Mr. Harvard (p. 2805)

Mr. George Proud (Hillsborough): Mr. Speaker, I rise today to speak to the motion put forth by my hon. colleague from Winnipeg—St. James, a motion that would allow seniors to pay their income tax in one annual instalment if they wished to do so.

Many senior citizens no longer hold salaried jobs and are on pensions. These people are now required by law to estimate their annual income and determine from that estimate how much to pay Revenue Canada every three months. This has created some very serious problems for Canada's retired people. These citizens have always paid their income tax on or before April 30, a deadline given all Canadians, but once this part of our society reaches 65 years of age they are required by Revenue Canada to estimate and pay their taxes every three months.

It seems to me that under the current system the government is saying to most of our esteemed citizens: "We do not trust you to fulfil your obligations as taxpayers. Therefore we will make sure you will fulfil your obligations by requiring you to submit to a more rigid system of tax collection than we impose on other Canadians".

The government might claim that estimating income should not be a difficult task for seniors. After all, they are usually on an fixed income but this government has failed to realize that there are plenty of seniors who do not have straightforward incomes. Investments, bonds, stocks, these things change constantly. Even with a part-time job they can have enormous differences in their taxes. To add to this, if seniors make a mistake and pays less than what is expected, they are heavily penalized. There is no statement showing the error or no phone call explaining what went wrong; just a bill with interest added immediately.

• (1110)

At a time when we should be taking care of our retired, our aged, this government is playing credit department and forcing people, some of whom are on varying incomes, to pay up every three months, correct or incorrect. It insults the very people who make Canada what it is today.

In their golden years this government is telling the builders of this country: "You be sure to pay your taxes every month in case you forget or in case you make a few more pennies than you earlier thought while the rest of self-employed Canada enjoys the courtesy of paying once a year and the option of payment instalments".

It makes so much sense for this government to allow seniors to pay an annual expense if they choose to do so. Simply stated, it is a choice they are asking for. The seniors are not asking to pay less taxes, although they could. They are not asking to pay taxes monthly. They are just asking to be able to choose to pay taxes once a year. That is all, an option to pay taxes once a year.

It would make a great deal of sense in my view for the government to support this motion. It would remove from thousands of senior citizens the feeling that they are being treated differently and punitively by the government of this country.

The seniors of whom my colleague speaks and who have written and spoken to every one of us here do not seek to pay less than their fair share of taxes. What they seek and what we seek on their behalf is a system which

will remove from them the strain, both financial and emotional, of having to submit taxes every three months to the government.

Let us remove from them the worry that a slight miscalculation or a slight unexpected increase in earnings will lead to confusion and penalties down the road. The removal of this irritation and fear would only be one small way in which we could show these people our gratitude for their contribution to this country.

As I said earlier, we are not advocating that they do not pay their taxes. We are advocating that they pay their share more fairly.

Let us talk about options. The senior citizens of this country have been denied a choice, a choice that we as taxpayers are entitled to. Simply stated, these people unlike salaried persons must pay their income tax in four quarterly payments, payments which for the rest of us are simply taken off our paycheques.

Seniors do not have this choice. They must adhere to the government's strict policies and tax payments, laws that force a person who misses a payment or is late to pay swollen interest along with the error in calculation. These people have worked their whole lifetime and deserve the benefit of the doubt and respect of the government.

Why can this government not avoid the obvious drawbacks of this system and legislate a simpler, more effective and more democratic system? The majority of seniors has been paying income tax for years, so how can this government assume this childlike approach to those parents of our present government, to those people who have paid?

I was most interested to note the comments made by the hon. member for Edmonton Northwest when this matter was discussed earlier. He agreed that the present method could be improved upon. He went on to suggest that in his position as chairman of the finance committee he would look at alternatives, one of which could involve putting a higher limit on the tax so that less people would be involved in having to file quarterly reports.

He mentioned at that time that the taxable income of $10,000 per year might be more reasonable as the cutoff amount for quarterly instalments. I am encouraged to see a member of the government side of the House agreeing with the intent of the motion suggested on this side, even if he did not support the motion in its present form.

What I would like to suggest is that the members on the other side do not postpone action any further by referring this matter to the finance committee, but rather show their goodwill toward the senior citizens of this country by supporting the motion put forth by the hon. member for Winnipeg—St. James.

Let us join in this House in showing the senior citizens of Canada that we appreciate the efforts that they put forward in building this great country. Let us not penalize them by subjecting them to a more restrictive tax system that we impose on others who are better equipped financially to deal with it.

I urge members on the other side to support those of us who respect the needs of seniors and vote for this motion. I ask this because I know that those across the way would like to support this motion.

I ask them now to give it their wholehearted support.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I welcome this opportunity to speak to motion M–484, tabled by the hon. member for Winnipeg St. James.

Mr. Speaker, the purpose of this motion is to allow senior citizens with no income other than that taxed at source to pay income tax once a year instead of paying in four quarterly, provisional instalments, and the hon. member for Winnipeg St. James is to be commended for his interest in the concerns of senior citizens. Mr. Speaker, as you know, I share that interest, as does this government.

One example of what this government has done so far to help senior citizens in fiscal matters is the 1988 tax reform. You will remember, Mr. Speaker, that before 1988, when filing an income tax return, every Canadian taxpayer had a personal exemption. Senior citizens had an additional exemption because of their age. In 1988, the age exemption was $2,670, and as I have said repeatedly in the House, this exemption was replaced by a tax credit, thus making the Income Tax Act and our tax system fairer and more equitable.

I don't want to get into any details this morning, but I would like to point out that as a result of this change, in 1991 the same exemption is now $3,235. Clearly, Mr. Speaker, this government made sure that senior citizens would benefit as a result of turning the exemption into a tax credit. The personal exemption, which all senior citizens have, just like you and me, was $4,270. This basic

exemption, which was also changed to a credit, would this year be equal to a credit or exemption of $6,000. So we have $2,000 more for the basic exemption and nearly $1,000 more for the senior citizens' exemption, if we consider the difference between 1988 and 1991. Across this country, 290,000 senior citizens no longer have to pay federal income tax as a result of changes in our tax system. Mr. Speaker, I think it is important to emphasize the fact that we have 290,000 people in Canada who no longer pay income tax, and if they no longer pay income tax, they certainly do not have to pay quarterly instalments.

Now, what is the purpose of quarterly instalments? To understand the concept, first we have to know what the Income Tax Act says. The Income Tax Act provides that any taxpayer with income on which tax is not deducted at source and who at the end of the year has to pay at least $1,000 in income tax, must pay his income tax in quarterly instalments. Mr. Speaker, I admit I have discussed this often with senior citizens in the riding of Trois-Rivières—as you know, it is the most beautiful riding— My colleague next door doesn't quite agree, but it is true just the same, Mr. Speaker. So as I was saying, many senior citizens are delighted with this system because on March 15, when they have to send their first quarterly instalment for the year, they know, give or take a few dollars, how much federal income tax they will have to pay the rest of the year. So on March 15 they make out the first cheque, which is one-quarter of the total amount. This means they can easily budget for the next instalments.

• (1120)

Mr. Speaker, assuming that we accept the principle of quarterly instalments, for senior citizens it means they can spread the amounts they have to pay over a certain period. It means they will not have an unpleasant surprise at the end of the year, in the form of a large amount of income tax to pay for which they might not have budgeted.

Payments are based on the previous year's income, although not 100 per cent, and that is very important. If a taxpayer can prove that his income for 1991 will be $10,000, $15,000 or $20,000 less than it was in 1990, he doesn't have to pay his instalments on the basis of his 1990 income. He pays on the basis of his projected income for 1991.

If he accidentally forgets to send his cheque on March 15 or on the fifteenth of the following months, he does not have to pay interest if the amount of interest payable on the tax instalment he failed to send is $25 or less.

My point is that there is some flexibility in the system. More importantly, Mr. Speaker, senior citizens have a chance to budget for their tax payments.

Finally, Mr. Speaker, the system has worked well so far, and I think it should be left in place. Mr. Speaker, if there is any reason to change the system, we will consider what should be done.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to rise in support of the motion of the hon. member for Winnipeg—St. James. I think his motion really reflects the desires of many senior citizens and retired persons who have a taxable income and owe over $1,000 in income tax.

I will read the motion into the record again. The motions states:

> That, in the opinion of this House, the government should consider the advisability of changing the collection of income tax as it affects citizens whose income is not taxed at source so that senior citizens who are required to pay income tax in four quarterly instalments will be permitted to pay only one annual instalment.

One of the reasons I support this motion is not only for its good, practical sense, but it also reflects the concerns of quite a number of my older constituents who have come to my office. They are very upset and confused about this particular regulation, and I might say very, very annoyed with the government.

A number of my constituents did not realize they had to pay quarterly, or were confused about it. They felt the tone of accusation in letters they received from the government were in effect an intimidation, implying they were dishonest when really it is a matter of being a very confusing and inconvenient way of paying taxes.

Others found it difficult to predict what their annual income might be. One of my hon. colleagues said earlier that this could vary so it is difficult to calculate one-quarter of what the annual taxable income would be.

They felt the high interest rate was not really a very fair or considerate way of treating older people if they did not pay, when often it was just a mistake, an error on their part and a lack of knowledge or lack of memory, perhaps.

Senior citizens are upset with the government and I think this is only one of many serious issues they are upset about. I certainly think it would make sense to give older people choices as to whether they pay in annual or quarterly instalments. I suspect most would choose the option to pay annual instalments as they did in the past if that were the case. I would like to say that this is the kind of frustration, anger and in some cases the hurt feelings that people expressed to me when they came to my office. It really reflected a very general disillusionment and anger at this government.

It did not take much conversation to get into some of the other things that have happened to seniors which we are not forgetting and they are not forgetting. There was the famous clawback of old age pensions. People who are really just in the middle income group now will have to pay income tax on some of their earnings, including the old age pension.

It is perhaps not so much the amount of tax but the impudence and the arrogance of this government in doing away with the whole tradition, a Canadian institution, part of our Canadian value system of universal old age pensions. That is what they are angry about and what we should certainly continue to challenge. I believe it was a very bad move on the part of this government.

Another thing is the impact of the GST on the incomes of people who have fixed incomes. This is difficult on all people but is particularly difficult on families with children and the expenses they are paying the GST on every day. For older people who have a fixed income and who do not have a 7 per cent increase in their income every year, it is particularly difficult. They are certainly feeling the pinch. I am sure that many people are having to take this extra GST expense out of their food budgets.

The third thing I would like to mention that is very worrisome to seniors across the country is the real threat to medicare and the threat of user fees that may be pending in some provinces. They are getting pretty close to charging user fees for certain services now. This is a threat to the universal nature of our medicare system which seniors, in their younger years, fought hard to establish during difficult times. The one thing, regardless of political partisanship, that binds Canadians together is their support for universal medicare, as well as for universal old age pensions and other social programs.

I do not want to take a long time to debate this, but I certainly want to express the views of our party. We object to the assault that is being made on pensioners and senior citizens. We support the suggestion of this member, which would not cost the government any money incidentally, to revert to an optional arrangement where seniors may pay income tax on an annual basis if they wish. We certainly intend to continue monitoring the other programs that are attacking seniors who have built our country and who deserve much better treatment.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I appreciate the opportunity of speaking to the private member's bill brought forward by the member for Winnipeg—St. James. My hon. colleague proposes to change the requirement for senior citizens to pay income tax in quarterly instalments and instead have them make just one annual instalment.

I believe there are probably some potential benefits in this particular move. Likewise there are probably some potential dangers. I would like to touch on both of those aspects.

First I would like to thank my colleague for raising the important issue of taxing Canadian seniors. We all share the hon. member's concern for the senior citizens of Canada. Of course seniors built Canada. Seniors were a paramount concern, I do believe, to this government when we introduced fundamental changes to the personal income tax system which took effect about three years ago.

With the introduction of the goods and services tax and major changes in tax assistance for retirement savings under pension reform, I believe the fair tax treatment of seniors continues to be of concern to this government. I will say more in a minute or two about some of the specifics.

• (1130)

Notwithstanding some of the arguments that I may be making in the next couple of minutes, I would like to say that I do see some merit in what the hon. member is proposing. I am not about to discount or discard the

particular suggestion of the hon. member because I think, more importantly, a change such as this that affects so many Canadians really needs more study, more debate around the whole question and more examination to know whether it is going to achieve the kind of fairness that on the surface it purports.

I would like to report to the House that about one month ago I was in Vancouver with the Minister of Finance. We were attending a conference which we had opened up to the public and we invited public debate and questions on all issues before the Minister of Finance. One senior citizen did come to the microphone and raised this exact point. He asked the Minister of Finance why it was necessary for seniors to file income tax returns on a quarterly basis.

I would like to report to the House that the response of the Minister of Finance was quick and decisive. He agreed with this particular senior that this is an area which needs examination and that, in his opinion, the Government of Canada should re-visit the whole question of the frequency of income tax payments. I gathered from him at that particular time, although I did not see any media picking it up in response, that this was an issue of concern to the Minister of Finance.

Therefore, having heard the minister say that himself, I am not going to stand here and say that my colleague's suggestion in this House is without merit because I think it does have some points to it that are worthy of consideration. It is not a matter of if we should make these kinds of changes, but how and when and how most appropriately so that we really facilitate seniors themselves.

I have heard members of the House of Commons finance committee indicate in the House a willingness to consider this particular proposal seriously before the standing committee. I support that. I think it would be a progressive move.

The experience of my own parents who make these quarterly payments shows that it is something that is an added concern financially and that a lot of people do not need that added concern at that particular age.

I would ask and urge my colleague from the other side who has proposed this particular measure to withdraw it and instead to write to the chairman of the House of Commons Standing Committee on Finance and ask that the issue be brought forward to the committee. I suspect, not having spoken to the chairman directly, that the committee would be quite pre-disposed to deal with this particular motion and I think that is where it should really go for further action.

Those are my own comments and added to those I have a few stock responses that I would like to make in terms of some of what this government has done to try and be as fair as possible to senior citizens, given our economic and fiscal constraints.

Let us review a few of the facts. Under personal income reform, this government introduced a number of changes that were designed to be of particular benefit to seniors. For example, the $2,670 age exemption that would have been in effect in 1988 has been replaced by the age tax credit. It has provided tax assistance equal to an exemption not of $2,670 but of $3,235 for those in the 17 per cent tax bracket. In addition, the $4,270 basic personal exemption has been replaced by a personal tax credit. It has provided tax assistance equal not to $4,270 but equal to $6,000 for those in this 17 per cent tax bracket.

In 1991, the age credit is $575 while the basic personal credit is $1,067. Together these measures will provide tax assistance equal to an exemption of almost $10,000 for 80 per cent of the seniors in the 17 per cent tax bracket.

While I accept some of the arguments made by the speaker who preceded me in terms of a perceived assault from time to time on some of our social structures, our social safety nets, the fact is that the basic exemption for 80 per cent of the seniors in this tax bracket is far higher than it was just a few years ago.

This is probably the most significant point: as a result of the changes made by this government, almost 300,000 more seniors do not pay tax. That is quite a change in three years. Since 1988 to 1991, and let me stress this again, almost 300,000 more senior Canadian citizens do not pay federal income tax.

Then we have the much maligned GST. With the introduction of the GST the government also brought in a GST credit. It was designed to ensure that families, lower income Canadians including seniors, those people in our society who earn less than $30,000 a year, will get some net benefit from this change in the tax system. After they have paid the GST on the purchases which apply and they have received this credit back at the end

of the day, the assurance has been there from the government, although we do not have a full year of experience yet, that these people will actually have paid net less sales tax.

In 1991 the GST credit will provide a benefit of $190 per adult and $100 per child. I think the member for Hamilton West will find this particularly interesting because he has been a keen student of the GST credit. I think the member would agree with me that any change we can make in terms of refunding sales tax to those people who make under $30,000 with a limited ability to pay would make them better off.

I would just like to point out that the GST credit provides a benefit of this $190 per adult and $100 per child, and it is reduced by 5 per cent of net income in excess of $24,000.

Besides that, there are other benefits the government has made sure that our seniors enjoy. For example, a substantial portion of the government's resources have been committed to providing income support for the elderly. We have old age security programs and guaranteed income supplements providing seniors with a basic level of income support. In 1991 every Canadian over the age of 65 will be eligible to receive about $4,300 in old age security benefits. Every little bit helps. It may not be as much as it could be but, given Canada's current fiscal and economic position, it is very important that we do everything we can.

My time is just about up so I really do not have time to run over a number of the other benefits that I think this government has given seniors. Let me finish with this point: I think my hon. colleague who has made this suggestion makes it in good faith. I do not think he has done it in order to try and embarrass the government or to challenge our particular policies and practices. I think he has done it in the spirit of fairness and in recognition of the contribution made to our country by seniors.

Having made my points, I would suggest again that the member withdraw the motion and ask the chairman of the Standing Committee on Finance to bring this before the committee for an exhaustive study. I think there are merits here and I do not want to see it simply voted down because we happen to split on party lines. I would like to see this issue advance and I would suggest once again to the member that he bring it before the committee for further study.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I will state again that I consider it a privilege to rise in debate today in support of the motion in the name of my colleague and my benchmate, the hon. member for Winnipeg—St. James.

Having just heard from the hon. member for Halton—Peel, he performs quite a bootleg on the main motion. He talks about how many fewer senior citizens pay income tax and how terrific the GST is now for the senior citizens of this country. The hon. member for bootleg, Ontario, should be reminded that we want to get specific about the motion, the motion being:

> That, in the opinion of this House, the government should consider the advisability of changing the collection of income tax as it affects citizens whose income is not taxed at source so that senior citizens who are required to pay income tax in four quarterly instalments will be permitted to pay only one annual instalment.

That is the motion. It is very clear, very succinct. I would trust that many members opposite support this motion, even though the member for Halton—Peel has some reservations about it and he is not prepared to vote for it here in the House of Commons. Either you believe in the motion or you do not believe in the motion.

• (1140)

The motion is an important one as it would redress what many on both sides of this Chamber see as an imbalance between the way senior citizens pay income tax and the way the rest of everyday Canadians pay income tax in this country.

Senior citizens who no longer hold salary positions and are on pensions are required to pay income tax on a quarterly basis. Revenue Canada demands these senior citizens pay on a quarterly basis and if payments are not made on time seniors are charged interest.

Imagine that once a senior retires from a regular job and no longer has income tax taken off at the source, the pay cheque, he or she is certainly not eligible to pay income tax in the same way everyone else does. Instead of receiving one income tax form and sending it in showing either that the person owes money or is about to

get a rebate from the government, seniors have to go through this entire process every three months.

The irony is that if the government owes a rebate to a senior, the senior may have to wait a long while before receiving a cheque in the mail. On the other hand if a senior owes money to the government and is not immediately able to send in the money to the government, perhaps because the senior no longer holds a regular paying job, the government insists on having the senior pay interest on that amount.

There is also another injustice levelled at seniors. If the government does owe money to seniors and by mistake makes an over-payment to them, it will demand that extra money be returned to it without delay and will charge interest on that sum if they are late paying the amount.

For the seniors who rightly believe that the rebate is correct and that they are owed the money and who subsequently go out and make use of that money for any of a number of purposes, how are they supposed to pay it back if they are on a fixed pension income and the government is knocking at the door, the tax man is at the door, demanding that money back? Most often they cannot.

It is a burden for many seniors. For those of us fortunate enough to be receiving a regular pay cheque, tax is taken off at the source. We may owe money at income tax time but we have only to fill out the form annually and be done with it.

This motion would redress one of those imbalances and would give back to seniors the choice of making their income tax payments once a year, not every three months. The government says that its reason for having seniors pay quarterly instalments is that if they did not, and because seniors do not pay tax on a regular pay cheque, this would constitute a tax loan. The other reason is that it believes that seniors will be able to budget better on a quarterly basis.

What? The senior citizens of this country should rely on budgetary advice from this government? For the record let me read to this House a letter which was sent to my colleague, my benchmate, sponsoring this motion. I will not mention the person's name but it was addressed to Revenue Canada and copied to the Minister of Finance. It said: "Enclosed you will find cheques totalling $1,099.55. The cheque for $162.89 is so-called instalment interest which you will have the unmitigated gall to charge me. The cheque for $936.66 covers two instalments of $468.33 for March 15, 1991, and June 15, 1991.

I am a senior citizen and for the many years I have paid income tax. I have always paid in full on April 30 as required. I see no reason to change this procedure and I take exception to being told that I must pay quarterly or be charged interest. I would like to point out that since April 30 you are assessing me with an additional $1,099.55. This will make a total of $2,972.90 paid since April 30, 1991, and since I am on a fixed income this extra money demanded by you is causing a hardship to scrape this money together.

You can rest assured when the next election rolls around I will not be voting Conservative."

An hon. member: That is a long line.

Mr. Keyes: As my colleague says, that is a pretty long line.

That opinion I trust holds true for the majority of seniors who have had their old age security pensions clawed back, who are at the receiving end of a health care system that this government is cutting back on because of cuts to provinces and transfer payments and the funding of other social programs which we all know they helped build in this country.

This is the same government that tried to de-index pensions for seniors and given its track record will probably try that again. The suggestions we are discussing here this morning are very simple for solving this dilemma.

Another constituent who wrote to my colleague from Winnipeg—St. James said: "The problem can be solved by general averaging over the last three years with no cost to the taxpayers. The federal government issues old age security cheques and CPP cheques every month by computer. So it has the capability to initiate deductions every month from those cheques. Thus, seniors remembering to write cheques quarterly would be eliminated".

All my colleague is asking for, all we are asking for on this side of the House, and I am sure members opposite agree that this all makes common sense, is that we give this country's most esteemed citizens a break. Let us give them the choice. Let us give them the right to whether

they want to pay their tax annually or every three months.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, I am pleased to speak on Motion M-484, moved by the hon. member for Winnipeg St. James. It reminds me of one of my first speeches in the House after I was elected in 1984, on the subject of pensions. My colleague opposite just said that the government had wanted to deindex old age pensions. I remember that I had then made my maiden speech in the House and the funniest thing is that I had asked the research service to do research for speaking notes, of course.

When I made my speech in the House, with notes, I remember that my colleague at the time, Mr. Malépart from Laurier—Sainte-Marie, who has since left us, he died, shouted at me from the other side of the House that what I said was silly and made no sense. He said, "Come on, the hon. member must have been hit on the head. It makes no sense!" I replied: "Listen, I am not that out of it. I am reading exactly what you said on the same subject three years ago when you were in power." Mr. Speaker, I must tell you that we sometimes change our stand when we change sides in the House. What I said was not as dumb as all that—it is what he said back then. He was a friend since then because it was always a good joke between us, because he told me that I had caught him that time with his pants down, as we say.

Mr. Speaker, I admit to you that some good, legitimate arguments were made, except that I am fairly close to my constituents and I do not find it to be a big concern with them. That said, just because it is not a big concern does not mean that it is not worth talking about. But I would remind you that the measure concerning payments every three months, or four times a year, does not apply only to seniors. I pay federal and provincial income tax every month because I am paid on a monthly basis, 12 times a year, on the last day of each month. When I worked at the school board, I was paid 26 times a year so I made 26 payments a year for federal and provincial income tax, health insurance, etc.

The measure in question here applies not only to seniors but to all self-employed workers. A special provision was made for them. All self-employed workers, that is, those whose tax is not deducted at source—of course, seniors are included in that; they do not work or have a regular wage income—must pay four times a year. So it is not a big concern. Some seniors even came to my office and said to me, "Listen, Mr. Hudon, special measures are always being adopted for seniors and I think there is a limit. We do not always want to be treated differently. We are not always looking for special treatment."

• (1150)

Before getting into the main changes in the Pension Plan, I would like to remind the people watching us, the viewers, that there are three complementary levels of pension entitlement in Canada. They are important and benefit all Canadians, including myself. They will benefit my children when they join the workforce and they have benefited and continue to benefit my father and mother back in La Pocatière. So, there are three levels: the first is the basic entitlement for anyone over 65 and, exceptionally for some over 60 as with the case of widows and widowers. But generally, it is 65. This basic level is presently costing the federal government, that is to say all Canadian taxpayers, $12.1 billion a year and an additional $4 billion for the guaranteed income supplement.

We are talking about $16.1 billion then. By that I do not mean that we are giving so much money and are so generous. I must say that, when I look at the financial situation of some seniors, I feel they would deserve much more. Just the same, this is a major financial effort that cannot be brushed aside and considered as more or less important. As I was saying, all Canadians, the Canadians taxpayers, the workers, are presently paying $16.1 billion for them.

You will remember that, in 1966-1967 I think, the Canada Pension Plan was established for all the public, parapublic and private sector employees. Deductions were made on each pay and we would say: "We will pay you pensions when you retire." Quebec has its own pension plan, the Quebec Pension Plan, but it is administered by a second level of government. So, there is the basic old age pension that everyone is entitled to and then there is the Quebec Pension Plan for Quebecers and the Canada Pension Plan in all other provinces.

The third level, which also costs government money, is that of private pension plans. It costs money in the sense that it deprives government of revenues because, in the case of a private pension plan, one can deduct from his or her income tax amounts that would normally be taxable. So, deductions are made.

Mr. Speaker, maybe the viewers should be reminded also that government is thus deprived of $9.1 billion in revenues annually. It is important to point this out. Mind you, it is important, but the problem is just being displaced because, in fact, the money that I put away and that I deduct from my taxes this year, in five years or in ten years, when I will benefit from this tax measure, I am not sure that the taxation tables will be essentially the same. Generally, the federal and the provincial governments will manage to get a lot more money because the tax tables will have changed.

So, the money or the dollar that I put away today, and that could be taxed at, say, 25 per cent now, how can I possibly know that in ten years, it will not be taxed at 33, 40 or 50 per cent? It is easy to say that the federal government is depriving himself of a revenue. It is easy to say that in a political speech, but I think that the federal government is not really depriving himself of these revenues but rather deferring them.

Mr. Speaker, this deduction done four times per year applies to all those that have revenues other than fixed salaries. Therefore, it is not a special measure for seniors. Mr. Speaker, we are trying to improve the Canada Pension Plan. In 1987, we implemented a rather important reform that was primarly aimed at ensuring a greater accessibility to the Canada Pension Plan. We also improved the situation for workers who change jobs, with the anticipated acquisition of rights to contributions and a greater transferability, in order to protect those workers who change jobs. You know what the situation was when we came into power in 1984 and had to deal with this problem.

The third improvement that we made was the compulsory payment of contributions to survivors, thus providing a greater financial security to spouses of participants to retirement plans. Those are the improvements we made to the system and now, as I was saying earlier, we are improving the tax assistance scheme. I am talking about those $9 billion, the collection of which is presently being postponed.

Mr. Speaker, I realize that my time is up. To summarize, I think that this is a very legitimate request. It is a request that was not made in my region, but since I never brought up the matter, maybe it was not brought up to me either. But the seniors appreciate this measure—even though it is not amusing for them to file four returns per year, nor for the lawyers, the notaries and all the independent workers. They feel more secure, they know that by year's end, they will not get a large bill for income tax purposes.

Mr. Speaker, it is a measure that gives a sense of security to Canadians, not only to seniors, but also to all the independent workers.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I welcome this opportunity this morning to speak to the subject of income tax and senior citizens.

[*English*]

—and to speak in support of the bill put forward by my colleague.

I want to talk mostly about what is unfair in the current situation that requires seniors to pay their income tax on a quarterly basis, based on a $1,000 threshold that has not been adjusted recently for inflation. It is going to continue to move that threshold lower in terms of real income.

What strikes me as fundamentally unfair about this system is that seniors are required to pay tax on income they have not earned and may not, in fact, earn until much later in the year. If they fail to estimate that income correctly—it does change from year to year and estimating it is difficult—they pay a penalty by way of interest.

This means that they are paying a penalty for not paying tax on money they have not even earned as income yet. That seems to me, very clearly, unfair and not at all consistent with one paying a penalty for something one has done wrong. People in that situation have not done anything wrong.

The reverse does not apply. If a senior overpays substantially in the first and second quarter, as is very easy to do, the government does not then turn around and pay them a benefit, because they have loaned the

government money free of charge for three, six, nine or even twelve months. No. They pay a penalty if they do not pay enough, but they do not get a benefit if they paid the government too much.

Expenses are also part of how much one pays in income tax. For seniors, expenses are particularly unpredictable. These are expenses which are legitimate deductions from income, and therefore affect the tax payable. It is really impossible for a senior to predict in March that they are going to have medical expenses for instance which are deductible and will reduce the amount of tax paid.

I really do not see how we can penalize people because they do not have a crystal ball. None of us have crystal balls and none of us can predict the future, but to disadvantage seniors in particular because they do not have the gift of clairvoyance seems to me particularly nasty.

I want to also say that I think the provision of this is particularly discriminatory. A very large proportion of seniors are women. Given the age and the era in which many of these women were born and raised, in which they raised their own families, many of them have never earned income. Many of them, if they happen to live in Quebec for instance in a certain period of history, were prevented from owning property and therefore having an income, property and the financial responsibilities of the banking for a family.

We all know the stories of women who were dependent on a mate for every cent they got to spend. They were never able to manage their own money or ever able to have their own money, or to own anything of their own. We are out of the era, fortunately, when a man's home is his castle, and what he does inside it is nobody's business but his own. Unfortunately, many of the people we are talking about who are paying taxes under this unfair system are products of that era, have never had to take financial responsibility, and find it quite difficult to do the kind of thing the government is now insisting they do. Therefore, they become vulnerable to other people who take advantage of their lack of experience, and lack of information, on how to handle these kinds of financial matters. They can really take advantage of and really can put an elderly person at a disadvantage.

• (1200)

We also need to remember that among the elderly there is a high rate of illiteracy. Income tax forms are not exactly conducive to people who grew up in a generation and, perhaps, did not go to school beyond grades two, three, four or five. Certainly finishing high school and going to university was by far the exception rather than the rule. To require certain skills of a group of elderly people, among whom there are a large number who do not have the reading, writing and number skills that many of us are fortunate to have because of a more advanced educational system when we happened to be growing up, is discriminatory.

Finally, the deterioration in services to the elderly from this government is hitting all members of Parliament in their constituency offices. I know in my office, people may spend days in a row simply trying to get through on the telephone to access even the ability to enquire about their old age pension, or to make an application for it. They may find that they have to go to an office, sit for hours, wait with all the costs and turmoil of doing that, only to be told that they have to come back another day for an appointment and go through it all over again.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hour provided for consideration of Private Members' Business has now expired.

[*English*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

FEDERAL REAL PROPERTY ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C–3, an act respecting the acquisition, administration and disposition of real property by the Government of Canada be now read a second time and referred to Legislative Committee F.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, recently the President of the Treasury Board introduced a bill in this House, Bill C–3,

an act respecting the acquisition, administration and disposition of federal real property.

I am pleased to be here today to lead off debate on this bill, as we seek to consolidate the policy changes and the new procedures associated with the government's reform of its real property management system.

Five years ago the government was faced with a real property system, some would say lack of a system, under which it was very difficult to know which minister of the Crown had responsibility for which property and for what purpose. Since then, substantial progress has been made. The goal of reform is to improve the effectiveness of the federal land management. When I say land, I refer not only to undeveloped land, but also to land complete with buildings.

To improve management of the federal real property, the cabinet first approved a new regime based on decentralization of authority to the departments that use the property for delivery of services to Canadians. We have cut the red tape to save money, to reduce overhead, and to improve the service to the public. In other words, we moved to modernize the way real property is managed in the government.

We made Treasury Board ministers a focal point for policy and general management decisions. This establishes the decentralization of management work by providing managers in the field with clear lines of accountability.

We have clarified the role of Public Works Canada as manager of federal office buildings and as a source of specialized services to other departments.

We shifted responsibility for the administration of most special buildings, or facilities such as laboratories, to the individual departments actually using those facilities.

The result is a very highly decentralized system with authority and accountability vested in program departments, rather than central agencies, and administered by local property managers, not Ottawa.

The special group known as the Bureau of Real Property Management was set up within the Treasury Board secretariat to manage and co-ordinate the process of decentralization, as well as providing advice to the Treasury Board ministers on their new role in looking after real property.

With these important reforms in place, we turned our attention to the method used for federal real property conveyancing. Bill C-3 is one of the last steps needed to complete the simplification and modernization of the way federal lands and buildings are managed.

The federal real property management act will bring together, in one statute, the general authorities necessary to buy, sell or lease the lands and buildings used by government departments to deliver the programs to the Canadian public. It would enable the government to use the same means to buy or sell property that are used by the private sector, but with appropriate controls in place. This would make it faster and easier for the private sector to deal with the government. It would increase efficiency in property transactions, reduce delays, and eliminate differences in approach that now exist between the government and the private sector. In Alberta, we will be able to do things the Albertan way and in Ontario, the way they do things in Ontario, and so on.

The bill would give the government the flexibility it needs to be an efficient manager of real property. It would improve service to the public in a significant way by allowing the government to use modern methods in dealing with Canadians when it buys, sells, leases or transfers lands or buildings.

I am pleased to submit these proposals to the House today. However useful they may be, these proposals are strictly limited in scope. Let me explain. First, they would not affect the management of lands governed by special legislation such as the Indian Act, the National Parks Act or the Territorial Lands Act. In each case, the specialized legislation would override the federal real property act. Nor would these proposals affect the management of lands held by Crown corporations. These corporations would continue to manage properties in support of their commercial and public policy objectives, under their own legislation, or under the Financial Administration Act.

The federal real property act would, however, apply to the property transactions of about 20 departments of the federal Public Service that hold land for delivery of programs to Canadians. The diversity of these holdings would surprise you, Mr. Speaker, covering everything

from cultural centres to defence bases, employment centres, nursing stations, research labs, farms, airports, prisons, police detachments, embassies, consulates and about 25,000 residences in Canada and around the world. About 85 per cent of these facilities are outside of Ottawa.

The vast majority of this property is devoted to providing direct service to the public. It represents the full range of facilities needed to deliver the federal government services to the Canadian public. The federal government is the largest real property holder in Canada. We control a large, diverse and complex portfolio of real estate. Excluding the territories, we manage some 28 million square metres of building space and about 23 million hectares of land. If all this land was put in one place, it would cover about the same area as Great Britain. The sheer number, and diversity, of federal land holdings makes for thousands of property transactions a year. That is why it was absolutely necessary that decision making and managerial accountability be decentralized. That is why legislation to support this improved management structure must keep pace.

• (1210)

The new regime for real property management is in keeping with our overriding goal of improving services to the public. It gives the managers more direct responsibility and holds them accountable for the results.

Under the present law many, if not most, real property decisions concern acquisitions, and purchases must come from Ottawa. The decision making process is highly centralized. The proposed legislation would allow the government to delegate these decisions outside Ottawa where it makes good business sense to do so.

Currently, three separate and often conflicting statutes govern the way real property transactions are handled. These statutes are the Public Lands Grants Act, the Public Works Act (Part II) and the Surplus Crown Assets Act. These acts are complex and out of date.

The Public Lands Grants Act and Part II of the Public Works Act as they apply to real estate transactions are essentially unchanged from the 1890s. That is the 1890s, Mr. Speaker.

We have been operating with a real policy regime designed for the horse and buggy era dealing with assets that are virtually priceless, and that belong to all taxpayers of Canada. It is clearly time that this obsolete legislation be modernized.

The third piece of legislation, the Surplus Crown Assets Act, was designed to deal primarily with surplus office furniture and equipment, not with lands. It is inadequate to deal with real property.

These statutes do not allow the use of modern real property methods or practices similar to those followed in the private sector. They use different terms to describe the same things and they use different mechanisms to carry out the same kind of transactions. Under these old laws, selling even a small piece of property can take from six to nine months after a decision has been made.

Take, for example, the sale of a modest house that used to serve as the residence of an RCMP officer in a remote British Columbia detachment. Today the house has outlived its usefulness and the RCMP has decided that it should be sold. Under the present rules, it would probably take the agreement of two cabinet committees and processing by as many as five government departments, over a period of six to nine months, to complete the sale. Most of the work would be done in Ottawa, far from the local market, with the attendant risk of errors.

You could imagine the headache that this kind of transaction causes Canadians across the country trying to buy property from the federal government.

With the flexibility of the proposed new act the same transaction would take six to eight weeks, that is, 60 or 80 per cent faster, and involve a British Columbia–based RCMP official and a local Department of Justice lawyer.

I trust you will agree, Mr. Speaker, that this is much better than six to nine months, and a big improvement in service to the public.

Similarly, under the law, it is no easy matter to surrender a lease, even in situations in which a terminating lease is beneficial to the tenant, and to the government. Managers in the field do not have the authority necessary to make the decision.

Let us say that a concessionaire in Halifax International Airport wishes to relocate to larger premises in the same building. The government agrees that the new space rents for more money and a new tenant is already waiting for the old premises. At present, because this move involves the surrender of an existing lease, the decision can only be made with the approval of the Governor in Council, on the recommendation of the Treasury Board, on a submission by the Minister of Transport. Obviously this process is time consuming and is neither efficient nor service-oriented.

For the most part, the legislation we are proposing today clarifies, codifies and simplifies existing practices in legislation to ensure good management of real property transactions such as the procedures used to make transfers between ministers and between governments.

The proposed legislation clarifies the role of individual government departments with land holdings. The bill emphasizes that federal real property is a long-term asset of the people of Canada. Departments are the temporary stewards of the land they hold to deliver their programs.

The bill also clarifies the role of the Department of Justice in ensuring that the interests of the Government of Canada, and thus the people of Canada, are served in property transactions.

In conclusion, the provision of this bill would clarify and simplify the current arrangements for buying, selling, leasing, licensing and transferring federal real property. These measures are straightforward, as I have said. They are designed to eliminate inconsistencies between laws that treat similar transactions in different ways, and use modern methods in federal land transactions.

The passage of the proposed federal real property act would improve service to the public by reducing delays and frustration on the part of the public that deals with the government on property transactions. It would reduce the cost and increase the efficiency of how the government manages our properties.

For these reasons, I believe the passage of the proposed legislation will enable us to better manage the real property assets that we hold for all Canadians.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, Bill C-3 clearly reflects the government's desire to simplify procedures in an area of administration that can be very complex, as the government member pointed out. All federal government land put together would cover roughly the same area as England. That is a lot of territory to manage, and in recent years, procedures had become very unwieldy.

When I was in the National Assembly, for instance, we had the same system we have here, and when there were "letters patent", it could take six or eight months to get them, if we were lucky. My point is that transactions of this kind do not reflect current procedures or transactions in the private sector, which is often a source of frustration.

The bill contains a number of elements that are most welcome, of course, but this is something that evolved gradually. There is a story behind those elements, and I would like to explain the reason for a bill of this scope. There may also be a few omissions that perhaps our government colleagues would be able to clarify.

Mr. Speaker, in 1985, the study team on real property management, established by the Ministerial Task Force on Program Review—there were an enormous number of programs, and this was under Mr. Nielsen, the minister at the time—this study team published a report that mentioned a number of shortcomings in management procedures for federal real property.

There were several recommendations for simplifying and updating the procedures then in effect, and these recommendations were subsequently adopted by Cabinet. Following Cabinet's decision, that same year Treasury Board set up the Bureau of Real Property Management responsible for co-ordinating management of the federal government's real property. With the co-operation of the Department of Justice and all responsible departments, the Bureau proceeded with a review of the instruments used to grant federal property.

The Bureau reported its findings, and I will mention some of these later on. The bill itself is fairly technical, and I would rather not get into the technical aspects. The three main bodies of legislation that governed federal real property conveyancing and which are currently in effect—the Public Lands Grants Act, the Public Works Act and the Surplus Crown Assets Act—no longer reflected current real property management methods and techniques. The first two have not changed much since they came into effect, that would be in the 1890s,

while the last one is better suited for disposing of personal property than real property.

• (1220)

These acts contain inconsistencies as regards the methods and procedures. They are redundant and thus are confusing for the people handling the transfers.

Finally, Bill C-3 was designed to correct the many deficiencies in the present system. This legislation intended to update and streamline the methods used in the administration and disposition of federal real property will give a clearer definition of management responsibilities regarding public lands. It will also be useful to codify and revise legal provisions concerning many similar real estate transactions, if not all.

Here is the question I want to ask my colleague opposite. From what I understood, this legislation will apply to all public lands. One of the weaknesses of the bill was that it was not clear that all Crown lands would be covered. So, Bill C-3 will repeal the entire Territorial Lands Act and amend the Public Works Act and the Surplus Crown Assets Act so as to exclude from the application of these acts real estate transactions covered by this legislation.

Mr. Speaker, the hon. member mentioned earlier some form of accountability on the part of management. That is what I want to hear about. Will the accountability of managers that is in this bill really be there in fact? In the past, many people had dealings with the federal government and when there was confusion—I admit that the laws governing Crown buildings and land are very confusing. It would be a good idea in the bill, and it is not clear, that is one of its weaknesses—Will accountability really be there in fact? It would be a good idea to clear up the confusion that has existed on many occasions.

I would also point out that with a single piece of legislation to manage all Crown lands and even buildings, no doubt this statutory authority will make it unnecessary to search through all the current legislation to see who has the last word. Indeed, with this bill, the statutory authority will be the departments' responsibility and managers will be responsible for ensuring that in every department, these transactions comply with all the requirements the government put in the bill. No doubt the time transactions take will be greatly reduced, as it should be, because transactions these days must be done quickly—we are no longer in the 19th century, when they could take years. Modern methods today require the government to keep up to date in it real estate transactions.

But one of the weaknesses we were able to note is that the bill does not specify how the procedure will work. For example, there is no specification now of how an individual would go about acquiring Crown land or how a particular department that has extra property in a given place would market it. I would like to know if he intends in committee to elaborate on the procedure to be implemented and what the chances for an individual dissatisfied with the procedure, to lodge an appeal?

I would also like to know something else. Pursuant to section 16, paragraph one, the Governor on Council may appoint an ad hoc review committee to make a decision. We would want assurances that, in case of improprieties, this committee established under the authority of the Governor in Council could be called before this House.

Finally, Mr. Speaker, I would like the government to tell us whether all Crown lands—indeed those the hon. member mentioned—will be covered by this bill, including all government leases on buildings? The hon. member talked about 28 million square meters of building space. The federal government is obviously both the biggest tenant and the biggest land owner. Those are the points we would like the government to clarify before this bill can pass third reading.

[*English*]

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, it gives me pleasure to rise and speak to Bill C-3, the bill dealing with the real property of the federal government. It has taken great pains to indicate to us that this is a very technical bill that we should pass very quickly through the House. Right away that give us some concern, but for the most part we approve of the vast majority of this bill and we do not want to be obstructionist. I will touch on what we think are the key elements of the bill and some of the concerns we have, although few in number we believe major in content, and we hope that the government will see its way clear to approve a couple of amendments that we believe are necessary in this bill.

The size of the bill, as a couple of my colleagues have suggested, is immense. We are talking about office buildings, houses, parks, police detachments, consulates, dry docks, employment offices. We have no doubt the federal government is the largest land and building owner in this country. Am I to believe it is $60 billion and the expenditure per year in this area is $6 billion. We may be speaking of a bill of a highly technical nature, but indeed it is a bill that could impact on everybody in this country.

It has been told to us that some of the language is archaic and the act is arcane and it is a hundred and some years out-dated. One could ask the question that if it was that bad, why did we not get to it beforehand.

It reminds me as bit of the UI bill and that gives me some concern. It is very technical and complex. It has lots of regulations. It is irrelevant and impractical at times. But when you get down to it, the interpretations of the regulations can be indeed very important to ordinary Canadians.

Inconsequential? Certainly not. We have received a tremendous amount of assurances, including from the creator of the bill. When I spoke to the creator of the bill and asked him whether any of our amendments would be acceptable, he seemed quite concerned or upset that I would suggest amending his creation.

I can understand that. Things that I put together I do not wish people to tamper with either, especially since, like a sculptor, he spent two years putting this bill together. Again, we will be proposing some amendments to the bill.

• (1230)

As far as the technicalities of the bill are concerned, they do expedite the system and that is good. Anything that can go from eight months to eight weeks will benefit all of those people, especially those involved in real estate transactions.

I think it is important that we try to put in some case studies. In my own community, a disagreement between Transport Canada and Parks Canada actually delayed a project for over a year in the community. As a result of that delay in the project, they are suggesting there are no more funds for the project, which may or may not be true.

It points out that the civil servants themselves, inter-departmentally, have difficulty getting a transaction through the process. Any expediting of the process indeed will be a bonus.

They point out to us that in the internal process, there will be a great deal of accountability. What the process does not uncover, the Auditor General will uncover. What the Auditor General does not uncover, a minister will uncover.

That is the accountability process within the department. Our concern will be at the end of the transactions. Will there be any final accountability? What we are suggesting among other things: one, a land and building inventory which, much to my surprise and I am sure to millions of Canadians, we have not had in place. As I speak, we do not have an inventory of properties in place.

They again assure us that we are in the process of doing that and it will be ready in 1992. Again, you are begged to ask the question: Why not previously? If we have $60 billion of assets, surely we would want them listed. There is an inventory that we believe is coming into place, and that is good.

We are saying that at the end, there should be an accountability clause in place—call it what you will, a depository—for all of the transactions that are completed on a monthly basis or on a bi-monthly basis or whatever, I will leave that up to the government. There should be a depository so that a citizen who is concerned and a citizen who deals with any aspect of Canadian life, be he integrally involved in real estate or not, has access to the depository to find out what the transaction was about and who are the principals.

I understand there would have to be some confidentiality involved in this depository. The government has suggested to me that I can go through the Access to Information Act. May I say that that is a very onerous exercise even for someone who might understand that system.

If the government is truly concerned with accountability for what it does, it will put together and initiate a depository that is extremely available. If the system is squeaky clean as the government is suggesting it will be because of all of the checks and balances of the system, that is great.

We must not only be absolutely squeaky clean, but we must appear to be completely devoid of any possibility of a scandal, a land scandal or whatever. It is not unknown or foreign to some people, mainly past, who have become involved in some of the land dealings.

There has been some innuendo and even court cases as to whether or not all of the government officials had acted in a proper fashion.

This depository would provide that last line of defence, that last safeguard that would prevent any possibility or potential, we believe, for abuse of the process. My friend from Victoria asked had there been an extensive consultation process. I am not aware of one, so I will not suggest that there was not one, but there was no indication from all of the briefing that I had that a consultation process was in place or pursued. But I would suggest that probably those involved would endorse this. I think, for the most part, the intent and most of the content of the bill is positive in nature. We would prefer not to sully the bill or the creator of the bill with any amendments, but there is no indication of any sound rationale yet as to why they would not accept the amendments; in fact, there is some dialogue back and forth suggesting that, yes, we see your point. They are talking about discretion, and there is little discretion within the system, but when it comes down to the final ministerial discretion, that minister may indeed have a tremendous amount of discretion. There is some suggestion that the government may be able to tailor-make land dealings to the benefit of somebody—to a community, for instance. If you had access to property in a community, and the federal government would like to give this piece of property to a city for a minimal amount, like $1, I think that is good. It could be a policy that could be beneficial to everybody and would give a boost to a community that might need a boost—disregarding the market value.

Once again, if we offered this discretion just *carte blanche* to a minister or to a group of people, this indeed could lead to the concerns we have already mentioned, that people would suggest that things were not exactly as they were and they were politically motivated to dispense of property and/or building. So, even a very positive aspect of the discretionary aspect of the bill could become negative.

It is unfortunate that bills of this nature have to be so complex and technical, and it certainly was an education for me to get into some of the real estate jargon and legalese. I do not fully comprehend all of those aspects but I do understand full well the content. The perception that I have after having spent many hours with this bill is that the only criticism remaining is the accountability at the end of it, which remains vague at best and probably not in place at all.

We have tried to be as positive as possible in describing what is in the bill and our concerns. I do have in my hand endless numbers of clippings dealing with the negative aspects of this bill. It has caused the government in the past—and not only this government but many governments, and many individuals—a great deal of grief. So, the potential is there for scandal. An ounce of prevention, indeed, is worth a pound of cure.

We are suggesting that the depository is a must, before this bill goes forward with the endorsation of the New Democratic Party.

Mr. John Brewin (Victoria): Mr. Speaker, I have a question for my friend from Sault Ste. Marie. The bill in subclause 16(2) outlines a set of regulations that the Governor in Council may make. This is a very comprehensive set of regulations which, as I understand it under the scheme of the legislation, is going to govern how real estate transactions of the federal government are to take place. Yet the previous subclause seems to give the Governor in Council the opportunity to simply opt out of any regulations made under the clause.

• (1240)

My friend referred to that in his comments, but I wonder if he would elaborate on the extent of the discretionary authority and particularly the differences between the provisions in this bill and the provisions of the Financial Administration Act which would seem to be more restrictive and, therefore, give this Parliament, if more restrictive, the assurance that the regulations in fact will be the things that govern. In particular, it is because regulations have a public process that they have to go through and if cabinet can simply walk past the regulations, it would seem to me that it might offer some undue scope for an abuse of the process contrary to the intention of Parliament.

Mr. Butland: Mr. Speaker, I thank my colleague for the technical question on this technical bill. I suppose it is important because that is probably an aspect of the bill that I did not perhaps spend enough time on, but that is, of course, another concern we have, probably the two major concerns.

If the government in fact is suggesting that all of these new regulations are necessary to address all the potential transactions of the federal government in real property dealings, it begs the question: Why is the opting out clause notwithstanding any regulations necessary?

I am told that under the previous act this opting out clause is there, but it has never been used. Again the question is: If it has never been used for one hundred and some years and it should not have to be used now and forever after, why is the opting out clause there? It touches on the discretionary aspect of the bill that I did highlight, that there is no discretion internally in the process that is excellent, but the government may opt out just by simply saying we opt out of all of the regulations that we have put in place. That is the way I understand that.

Mr. John Brewin (Victoria): Mr. Speaker, I rise to make a few comments on this bill. First, I would congratulate my friend from Sault Ste. Marie, who has sat next to me throughout this Parliament, on his very clear and competent speech on this bill setting out our position on it.

I would like to, however, add a few comments of my own partly based on my experience from Victoria where we have substantial federal properties, some of them vacant and some of them used, and a series of problems have emerged in the experience that I have had over the last couple of years that this bill, I hope, in part addresses. I would like to see some assurances from the government that it will address others that do not seem now to be covered by the bill.

In the question I put to my friend from Sault Ste. Marie just before I rose to speak on the bill, he dealt with the issue of clause 16 and the opportunity the government has to opt out. He made the very persuasive point that this clause, giving the government the right to opt out, is justified by the government on the basis that it never used it.

It seems to me that we have here an example of almost a conflict of interest that sometimes emerges between the government as government and the majority in the House of Commons, the government acting as the leader of the majority in the House of Commons.

It seems to me that we as parliamentarians, all of us on all sides of the House, because this is not a partisan bill, should be insisting that safeguards of the public interest be written into legislation. Too often the government gets persuaded by its public servants to approve an internal system which is easier to regulate internally and overlooks the need to protect the public interest by a process of public accountability.

Clause 16(1) for example could do with a simple amendment that at any time the Governor in Council intended to exercise its powers under clause 16(1), it must be required in advance to report to a parliamentary committee or some other form of process of that kind so that the spotlight of public attention would be on the transaction, and the government would be obliged to account in the court of public opinion and in the court of this Parliament for its intention to try to explain why it was going around the normal regulations and procedures.

I would endorse as well in that context the recommendation of the member for Sault Ste. Marie for a complete public inventory of federally owned lands. There are, as has already been noted in this debate, 60,000 buildings in this country owned by the federal government, many of them very substantial buildings, 23 million hectares. The annual expenditures on buildings is over $6 billion.

This is a massive public responsibility which the government has in the administration of its lands and buildings. It is all behind closed doors except for the various cumbersome methods of trying to get the details out. The accountability of the government for its management of public lands is a difficult thing for the public to achieve under the present system. This bill does nothing to address that question.

If there is to be an inventory of the government's lands and buildings by December 31 of this year, as the government has assured us, why should that not be part of the legislation? Why should it not be a simple requirement that the government maintain an inventory of all of its land and buildings and further that it maintain a public inventory and registrar of all the transactions? Those transactions are recorded in public land offices across the country. It would be no trick at all

for the government to simply duplicate that process in a federal depository of land transactions so that any land transaction that occurred could quickly come to the attention of any member of the public who sought it as a companion to a public inventory of federal government lands.

The practical result of this has come to us in the Victoria area. The Department of National Defence is a major land owner in the Victoria area. Huge lands, much of which, as far as I can surmise, is completely superfluous to the actual usage by the Department of National Defence.

I have been told that there is an inventory being made of this. Even within the government there are pressures from one department to try to take advantage of those lands for public purposes, for example, social housing. I notice the member for Don Mills is in the House. He was the the Minister of Housing and I know his interest had been to improve the availability of federal lands for housing. I know as well that that is a continuing interest of the government in seeking to have more lands available.

The Department of National Defence, with all its surplus lands simply says, apparently: "We may need this some day in the long run and you can't have it". All of that process operates internally to the government.

• (1250)

The time has come to get that out of the back rooms and into the public so that the public can participate in that discussion and departments such as the Department of National Defence are far more clearly held accountable for their stewardship of the lands they have.

In the chosen area of greater Victoria, there is an area called Rocky Point, a huge area of land, to which is adjacent a national marine park, a small park. It would be an extremely good and valuable use of those lands to turn them into a national park. A very small fraction of those lands are now used to store ammunition for the navy.

I am quite confident that there has been no rigorous look at whether those lands are surplus, no imaginative look. The Department of National Defence has hoarded those lands. It seems to me that if this bill is to afford Canadians the assurances that the government says it does, this should be brought out into the public and an opportunity given to look at the extent of surplus lands to government uses and to have a more public process for reviewing surplus lands, having government departments accountable for their use of lands so we can possibly begin to achieve some of the other purposes for which public land and buildings are needed.

A final aspect I would like to address is another public interest in government lands, and that is heritage. There is, again, a good internal system in the government for determining which federal government properties have heritage value. The Federal Heritage Review Board does that job and from everything I can see, does it very well.

The result is that if any other department seeks to use designated federal heritage buildings, it must in effect have that question referred to the review board, and the board will pass judgment on that. That is a good internal process.

Again, it is a process which should be brought out into the open. There should be a statutory provision establishing the heritage review process. There should be a statutory provision that requires reference to the heritage review board whenever an officially designated building is to be treated in some form or another by a federal department.

Again we have an example of that in Victoria, where there is a long standing property, Gonzales Hill, which was used as the first weather station on the west coast and an observation station during World Wars I and II. That building is now largely surplus as a weather station for the meteorological service but it has great heritage value and has been designated heritage.

Another arm of the government has said the land around that building is surplus and should be sold off for expensive luxury housing. That decision has all been internal. If the wishes of the people of Victoria were taken into account, the whole of that property would be preserved in the public domain.

There are negotiations going on to try to achieve that objective. It is important that, in support of the heritage aspects of the federal government's responsibility, this be given some statutory recognition and this would be a very valuable bill to do this.

I propose to be introducing shortly a Private Member's bill to lead to the establishment of a national heritage policy in this country and I will be including those provisions. It would be far more effective if the government took the leadership on this and included these kinds of provisions in this bill.

Heritage of our building in Canada could be achieved in a whole range of ways, including the government establishing a policy that federal heritage buildings which are excess be used by federal departments far more efficiently than they have been so that our heritage can be preserved and maintained.

Let me conclude with a final point with respect to the way in which the federal government approaches its neighbours in planning the use of federal government properties.

Given the nature of this country and the age of buildings, we are now seeing more and more redevelopment across the country. In our area we have Ogden Point, a large parcel of land, a very critical parcel of land on the entrance to Victoria harbour.

In the early days of the development of Victoria, these federal lands were predominantly used for shipping, for the receiving of goods and essentially for industrial use connected with the passage of goods and services through the port of Victoria.

Much of that usage is now becoming obsolete with the change of transportation systems and the changes in the economy. The Government of Canada now has a large piece of very critical land for the development in Victoria that is surplus. What we see, however, is that in the process of redevelopment, the federal government internally proceeding to reach conclusions about the best use of that land with minimal consultation with the local communities and the local municipalities.

That has been the past record. There are signs of improvement. In this case, Transport Canada is the department responsible for the lands and the office in Vancouver has been very forthcoming in beginning a consultative process with the municipality in Victoria, and beginning slowly and tentatively a process of consultation with the community. It is far too tentative, however, far too much dependent upon the good will of particular public servants in particular regions.

I think it is incumbent upon the government, as a manager of real property, to provide a far better statutory base for what is the general policy of the government, that it will not develop its own lands without consent from the local municipality. That is a general policy, but it is a policy which is also honoured at least as much in the breaches of the observance whenever there is a controversy.

In this Ogden Point land I was speaking about, the federal government agreed to the establishment of a heliport which was wanted by some people in the community, but was definitely not desired by others in the community, including the unanimous vote of the council of the city of Victoria. Despite the unanimous vote of the council of the city of Victoria, despite the feeling of the neighbours, the government went ahead with this use. That is simply wrong. It is not a process which should be followed, and it is a process which should be corrected in this bill.

We on this side have a number of concerns about the bill. We appreciate the great importance of improving the system of land transactions. We congratulate the authors of this bill for bringing it forward on that ground. It is an important bill. Anyone who has ever had to have any real estate dealings with the federal government knows that, and we wish to facilitate its adoption. We also want to hear from the government a response to our concerns on the issues that have been raised by the member for Sault Ste. Marie and myself. They are important concerns, ones that we think are shared by many others across this country who have had dealings in this area.

We would like to hear from the government that it is willing to entertain amendments to just tighten up the bill in this respect.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I must admit I perhaps got caught up in the technicalities of the bill. I think the member for Victoria has made a very very good point for all members of Parliament and probably for all Canadians. He obviously has a good handle on what is going on in his own constituency.

• (1300)

I must admit I perhaps do not have that kind of handle, but it points out the impact that the bill could have. We should pay attention to it.

As he was speaking I was trying to say: Do I have any case points to relate? I remember the post office. There was a controversy over the post office as to who was going to renovate the post office. I believe it belonged to Public Works.

As soon as Public Works found out it was going to have to spend money, it said: "It does not belong to us. It belongs to Canada Post." I called Canada Post and it said: "It belongs to Public Works."

If the inventory is in place, it is still having problems. The member has pointed out that there are ramifications of this bill. Certainly, the process of which he spoke has unlimited potential. For instance, we should take a serious look in each constituency in this country with the municipality, the province and the federal government. We should look at our excess lands and get away from: "This is my turf and don't you dare come on to it" and look at it for the benefit of all Canadians.

There is unlimited financial potential. It still staggers my imagination that we could have $60 billion worth of real property in this country.

It is not a question but I would ask the member if he wants to react to what I said.

Mr. Brewin: Mr. Speaker, I will certainly react to his modesty in suggesting that he may not be as aware of the problems of his own constituency.

My experience with the member for Sault Ste. Marie since he has come here is that he is one of the most indefatigable constituency members in the country. "Indefatigable" may not be a word in common usage in every part of Sault Ste. Marie, but it means extremely hard working and very knowledgeable about the problems in his constituency.

Beyond that, I think he simply reinforced the point that I have made. I will leave it at that, and I look forward to hearing from the government in response to some of the points that we have suggested.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on the same point, I have to agree that nobody seems to have the pulse or grasp of these property holdings of the federal government.

I do believe that in committee one could favourably look at the public inventory over federal lands. I think that is a good proposal.

I am wondering since the last comment made by my friend from Victoria. Based on the definition in the bill, I think it is clause 2, the bill would only apply to properties belonging to the federal Crown or of which the federal Crown had power to dispose depending upon how one defines federal real property.

That remains for us to decide in committee. If the Crown corporations, for example, have ownership rights over their holdings, I do not think this bill would apply to these holdings and these properties would not be covered by this bill.

I wonder if the member could confirm this for me. Crown corporations have large holdings of properties in Canada. I am thinking of the national capital region. The National Capital Commission has large holdings.

CMHC in my riding has large holdings which it is intending to dispose of. Does this bill touch Crown corporations in the member's view?

Mr. Brewin: Mr. Speaker, it does not. I and my colleague from Sault Ste. Marie with whom I have consulted agree it ought not to confuse the issue. There is a very distinct set of problems related to lands held by Crown corporations and the government in that capacity.

That is not to say there is not a need for taking a look at how Crown corporations in this country administer their lands and the governments over all responsibility for the administration of all the lands. I would not be surprised at all to find that there are surplus lands that might be used better, and that the government should be following that through.

I know Treasury Board has some functions in that area and has some people working at it. It probably could be done a lot better. I also agree with an earlier comment my hon. friend from Sault Ste. Marie made about the problems that sometimes occur in a relationship between the two.

In Victoria we have a post office building that is being changed around and Public Works has been very responsive in that case to the needs of the people of Victoria in trying to improve that building, but it is still like pulling teeth and it should be a public process with Crown corporations as well as with the federal government.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): If I could just clarify a couple of points. This act would not apply to the National Parks Act, the Indian Act, the Territorial Lands Act, the Canadian Petroleum

Resources Act, the Fishing and Recreational Harbours Act and with several Crown corporations. It would not apply to any of those institutions.

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

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to Legislative Committee F.

* * *

[*Translation*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. John McDermid (for the Minister of Finance) moved that Bill C-18, an Act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Court of Canada Act, the Unemployment Insurance Act, the Canada—Newfoundland Atlantic Accord Implementation Act, the Canada—Nova Scotia Offshore Petroleum Resources Accord Implementation Act and certain related Acts, be now read the second time and referred to Legislative Committee E.

He said: Mr. Speaker, I have the pleasure of presenting, for the consideration of this House on second reading, Bill C-18, An Act to Amend the Income Tax and related Acts.

[*English*]

This bill is, as I am sure hon. members will appreciate, significant in both its physical size and its scope. It includes income tax measures from the 1990 and 1991 budgets, several items announced through press releases in 1990 and 1991, and a large number of technical amendments.

Since the measures were first announced, extensive consultations have taken place between the Department of Finance and taxpayers and their advisers on the more technical aspects of this bill. These consultations have been of great help in identifying ways in which the details of the income tax system could be improved. Those improvements, together with the other amendments included in Bill C-18, will help to maintain and enhance the tax system's equity and efficiency. This goal, in turn, forms an important part of the government's commitment to a healthy Canadian economy.

I would now like to describe some of the major features of this bill, beginning with those income tax measures which form part of the budget brought down by the Minister of Industry, Science and Technology and International Trade, the former Minister of Finance, on February 20, 1990. These measures relate to the taxation of non-residents and life insurers, donations of Canadian cultural property, pension plans and registered education savings plans.

• (1310)

A basic element of the government's tax policy is the fair taxation of all income earned in Canada. The 1990 budget included initiatives to ensure that non-residents who deal in Canadian real estate or who create mutual funds to invest in Canadian real estate are taxed appropriately. The budget also proposed that the tax on financial institutions, introduced as part of tax reform, will be extended to life insurance companies. All of these measures have been incorporated in Bill C-18.

A second 1990 budget item relates to gifts of cultural property. In order to encourage the developments and dissemination of Canadian culture, the Income Tax Act provides special tax treatment for persons who donate cultural property to certain Canadian institutions or public authorities.

Bill C-18 will enhance the role of the Canadian Cultural Property Export Review Board in assessing the value of such property, and will thus streamline the rules governing cultural donations.

A third 1990 budget measure concerns pension funds. For many Canadians, retirement planning centres on a pension fund which invests their own, and their employers' contributions, to provide future income. Before 1990, such funds were subject to a special tax if more than 10 per cent of their assets consisted of foreign

property. Recognizing the advantages of investment diversification, this bill includes the 1990 budget proposal to allow pension funds to invest up to 20 per cent of their assets in foreign property by 1994.

The final 1990 budget measure forming part of Bill C-18 is a refinement of the rules relating to registered education savings plans. Changes will limit the total amount that may be contributed in respect of each beneficiary and will allow the payment of benefits to a beneficiary under a new plan only if he or she is a full-time student. Together with other related changes, these amendments will improve controls over the plans.

Other income tax measures included in Bill C-18 were announced in the budget introduced by the former Minister of Finance on February 26 of this year. These include special provisions for Canadians with disabilities and a modification of the taxation of gains on the shares of small business corporations.

In November 1990 the Minister of State Responsible for the Status of Disabled Persons announced a broad government strategy to promote equal opportunities for Canadians with disabilities. A number of measures in Bill C-18 bring that strategy to bear on the income tax system. First, the disability tax credit will be increased for 1991 from $575 to $700. This will increase federal assistance to disabled Canadians by $35 million a year. As well, the existing criteria for eligibility for the credit will be codified to ensure fair and uniform application.

The medical expense tax credit will also be enhanced by allowing non-working Canadians with disabilities to receive a credit for part-time attendant care and by expanding the list of medical expenses eligible for credit.

The cost of building renovations made to improve access for those with a disability will be deductible by the building owner immediately, rather than over a number of years. Many small businesses have complained to the government in this area and I think this is a major improvement for small businesses and for others to modify their buildings to assure that there is accessibility for those who have disabilities. This, of course, will help them immensely.

Where an employer provides transportation or related benefits to a blind employee or one whose mobility is impaired, or provides an attendant to help a disabled employee perform his or her work, those benefits will not be included in the employee's income. That is another great advantage that we are placing in this bill.

Last, an individual receiving Canada or Quebec Pension Plan disability benefits in a lump sum will effectively be able to have those benefits taxed in the years in which they relate, rather than have the entire amount taxed in the year that it is received.

[*Translation*]

As I have said, these measures improve the ways in which the tax system delivers benefits to a group of Canadians most in need—those with physical or mental disabilities.

[*English*]

Another 1991 budget item included in Bill C-18 relates to the tax treatment of small business shareholding. An individual who realizes a capital gain on the disposition of shares of a qualifying small business corporation is eligible for an enhanced capital gains exemption of $500,000. Where a successful private corporation wants to expand, however, and does so by having its shares listed on a prescribed stock exchange in Canada, it will cease to be a qualifying small business corporation.

The enhanced exemption will then be unavailable to the original shareholders, even in respect of gains which accrued while the corporation did quality. Penalizing successful businesses in this way is counterproductive.

In order to allow a corporation to go public without sacrificing its shareholders' enhanced exemption, Bill C-18 will permit an individual to realize some or all of the latent capital gains on the shares without having actually to dispose of them. This measure is in keeping with the federal government's recognition of the pivotal economic role played by small business.

In addition to the income tax measures announced in the 1990 and 1991 budgets, Bill C-18 includes a number of provisions announced separately. Some of these are essentially technical in nature while others present significant tax initiatives. There are, for example, new rules relating to national labour-sponsored venture

capital corporations. These will encourage investment in small and developing businesses.

Other important amendments revise the system of tax benefits for residents of Canada's northern and isolated regions, simplify the computation of the investment income tax paid by life insurance companies, and implement what are known as the available-for-use rules for the timing of certain expenses and credits.

The government's commitment to culture and the arts, which I mentioned in describing the new rules for gifts of cultural property, is also reflected in measures included in this bill specifically to benefit artists. Employed artists will be able to claim a deduction for expenses incurred in the exercise of their artistic employment. A self-employed artist who donates certified works to designated institutions or public authorities will be entitled to claim a charitable tax credit without having the value of those works included in income. This is all part of the package of the federal government recognizing the importance of the artist to Canadian culture.

Bill C-18 also includes the package of provisions recently released by the Minister of National Revenue and designed to enhance administration fairness. These provisions give the minister discretion in a number of key areas. For example, the minister will be able to adjust the amount of tax payable and refund any overpayment should a taxpayer discover after the expiry of the normal reassessment period that he or she inadvertently had failed to claim a deduction.

The minister will also be able to waive penalties and interest where an individual has failed to comply with the law because of extraordinary circumstances such as a natural disaster or serious illness. I have run into these problems in my riding with small businesses. I am sure every member of the House has. These measures add significantly to the flexibility and responsiveness of the income tax system.

The final category of provisions included in Bill C-18 consists of a large number of what I call technical amendments. Many of these provide relief for taxpayers in unanticipated situations where the existing law would operate inappropriately. Other provisions ensure the internal consistency of the tax system or clarify ambiguous provisions. A few correct anomalies that unduly favour certain taxpayers and a few reflect minor policy changes. Almost all of the technical amendments formed part of draft legislation released by the government in July 1990 and again in a revised version in February of this year.

• (1320)

The current legislation is, as I noted at the outset of my remarks, the product of extensive consultations with taxpayers and their advisers over that period.

I will not describe the technical amendments in any detail. Instead I refer hon. members to the explanatory notes prepared by the Department of Finance. These describe the entire bill clause by clause in ordinary, or at least relatively ordinary, language, as ordinary as they can get.

In summary, Bill C-18 both legislates a number of important tax measures already announced by the government and improves the income tax system in many technical respects. As a clear expression of the government's concern for the system's fairness and efficiency, this bill deserves the support of the House.

While I am on my feet, Mr. Speaker, may I move:

That Bill C-18, an act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Court of Canada Act, the Unemployment Insurance Act, the Canada-Newfoundland Atlantic Accord Implementation Act, the Canada Nova Scotia Offshore Petroleum Resources Accord Implementation Act, and certain related acts not to be referred to Legislative Committee E but be referred after second reading to the Standing Committee on Finance.

The Acting Speaker (Mr. DeBlois): The members have heard the motion tabled by the minister. Does the House give unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those opposed to the motion will please rise.

And fewer than five members having risen:

The Acting Speaker (Mr. DeBlois): Fewer than five members having risen, the motion is deemed adopted pursuant to Standing Order 73(3)(b).

Motion agreed to.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, I thank the minister for not explaining in detail, either in French or in English, all the complex clauses of this bill. I believe that this bill shows how complex our system of tax law is and also that our economy and society are becoming more complex all the time.

Later, I will say a few words about the complexity of the tax system, but first of all this afternoon, I want to talk about tax reform in general and to take this opportunity to discuss somewhat the fact that after seven years, this government has created a tax system that is less fair and more complex than the one they found in 1984.

[*English*]

Tax reform is a very complex and complicated matter. As the current Bill C–18 demonstrates, even a bill that contains relatively few controversial matters requires a great deal of paper and many words to explain. This bill runs over 2,000 pages in total, although it is in both languages and I suppose we can find much that few of us in Canada, let alone in the House of Commons, will understand.

Indeed, it is necessary that tax law be complicated. We do deal with a very complex economic system in Canada. There are many aspects of it that needed to be considered in drafting taxation legislation. There is no way to avoid complexity when life itself is complex.

I would like to remind the House of Commons about the purposes behind tax reform when it was first introduced by the government in its white paper on tax reform in 1987. I think it is worth while to review the record of the government on taxation matters in light of the objectives set out by the former Minister of Finance when he introduced his tax reform measures and consider what has happened between 1984 and 1991 in the over-all tax system.

I would like to say that some of the measures of Bill C–18 will be addressed in particular detail by some of my colleagues who are interested in them. In particular, we will be looking at issues related to changes in the method of crediting individuals with disabilities. We will be looking at some of the changes to the international shipping corporation laws. We will be talking about the over-all issue of tax reform and its complexity and, I hope, to some extent about the northern benefits changes contained in Bill C–18.

In 1987 the former Minister of Finance said that tax reform proposals had been designed to meet five broad objectives. The objectives he talked about were: fairness, competitiveness, simplicity, consistency and reliability.

Recently, at a conference held by the Canadian Economic Association at Queen's University, Patrick Grady of Global Economics Limited presented a paper which took stock of the results of tax reform over the recent years of Conservative government in Canada. Many of his comments are noteworthy when we embark on parliamentary consideration of a bill as long and as complex as Bill C–18.

I would like to take into account some of his comments as I consider the objectives set out for tax reform by the former minister to review how the results of the last seven years compare with those.

First of all, fairness. He said the fairness of the tax system should be increased. The Minister of Finance said: "Higher-income individuals and profitable corporations must carry a larger share of the income tax burden than they currently do." He says: "Individuals in similar economic circumstances should be taxed more equitably than they now are. When they are not, there should be valid reasons for different treatment. The reduction of selective preferences will help to achieve this objective."

I suppose when we talk about fairness, nobody would question the premise that the tax system should be fair. I am reminded of the old line that describes most everyone's ideal tax reform and that is: "Do not tax you, do not tax me, tax the guy behind the tree." Everybody wants to pay less tax, and it is a fairer tax system if they pay less and somebody else pays more. That is one way of looking at, but there are some criteria that we generally consider in deciding whether or not we consider a tax system to be fair. Those are principles of equity and in Canada historically we have accepted that we should first of all strive for a system of what we call vertical equity. In other words, based on a person's ability to pay they should pay more. Where they have less ability to pay they should pay less. This concept has led us to the development of a tax system which contains progressive rates so that as you earn more income, as your ability to pay tax increases, you pay a relatively higher share of your income in taxation.

• (1330)

When we look at the results of the years 1984 to 1991, it is not totally clear that that has been the case. What has happened under the years of Tory tax reform is that at the lowest end of the income scale, individuals and families are paying less in tax. That is good. What we find at the top end of the scale is that individuals and families in the highest income categories are also paying relatively less as a percentage of their income. In fact, while we have experienced a massive tax increase between 1984 and 1991, that increase has been focused on those individuals and families in the middle income categories.

According to a study by Mr. Grady of Global Economics: "The equity of the tax system has deteriorated under the Tories. The progressivity of the personal income tax has been reduced with the reduction in top marginal rates and tax rates have been increased sharply on middle income earners".

That is not my conclusion. It is the conclusion of an independent analysis done by Global Economics Ltd. that equity has decreased.

In the context of that, I think it is important to point out that a large number of taxpayers are actually paying more tax in absolute terms as well as in relative terms in 1991. Eighty-six per cent of Canadian families pay more tax in 1991 than they did in 1984, 86 per cent. That I think is reflected in the kind of messages that we hear on a daily basis from our constituents. I do not think that they distinguish particularly between school boards, municipal taxes, provincial taxes, federal taxes, income taxes, sales taxes, excise taxes, user fees and payroll taxes. They are paying them. They are coming out ultimately of the same pocket and the burden of taxation that has increased so much since 1984 is literally crushing the spirit of Canadians.

I want to talk a little bit about the other aspect of equity, horizontal equity as it is called, in other words, the fact that people in similar economic situations should pay the same amount of tax and that those in different ones should pay different amounts. The minister reflected that in his objectives of fairness. I think what strikes me in this area of fairness is the strange things that have happened to the taxation of families in Canada. I indicated a few moments ago that 86 per cent of families in Canada are paying more tax in 1991 than they were in 1984.

The other thing that has happened though is that as one goes up into the middle income category, one finds that the amount of help that there is for families with children has declined significantly.

Let me explain what I mean. If you have neighbours in similar economic situations in which one family has a child and the other does not, and they have the same family income, let me give the amount of extra income after tax these two families will have. They are side by side, maybe in a duplex. They both have $19,000 a year of annual income. One family has a child and one does not. At the $19,000 of family income, the family with a child will have $4,631 in additional support after tax to help pay the expenses of that child. That is good. You can argue about whether it is enough, but it is significant.

In the major urban areas of Toronto, Vancouver, Montreal and Ottawa, $40,000 is not a huge amount of income. The additional after tax income available to a family with a child at $40,000 is only $846.

At $60,000 of income, the family with a child has an additional $230 to try to defray the costs that are associated with a child. I have three children and $230 does not get you through the month of September. It does not go anywhere near paying the additional cost not just of clothing, not just of essentials, but all of the other costs associated with children.

It is now at the point, and this impacts most heavily on low income families, where not only do you have the cost of food and shelter and clothing, but to be involved in the public school system for a child is an expensive proposition. It is now necessary, despite our public education system, for children to have additional books and materials purchased for them. It is necessary to pay for field trips. It is necessary to pay for involvement in extracurricular activities that used to be just accepted as part of our educational supply.

When you consider the importance of children to the future of Canada, you have to ask yourself whether a system which has so minimized the value of supporting children in a family context is on the right track.

There is a similar problem with the issue of legal marriage. This is a strange one. I consider this to be more of an anomaly than simply bad policy. When you look at what has happened to our tax system over the last number of years, we have reached the point where it actually pays for families for the spouses not to be legally married.

One of the objectives of tax reform which I may get to is the concept of neutrality. The idea is that in the economy we want to the tax system to be neutral. We do not want people to make bad business judgments because they are driven by tax consequences. That is the concept of neutrality. Let them make the right business judgment.

Our tax system is not neutral on the issue of matrimony, of all things. This study comes from Statistics Canada, a study printed in *Canadian Social Trends* in the summer of 1991. Take the example of two people living side by side, each parent earning $25,000. Let us say there are two single parents living side by side earning $25,000 a year with a preschool child. Various expenses will be incurred by them. Let us say there are all kinds of things happening and they decide to live together. The choice is, do they simply move into one apartment together and live in a common law relationship or do they marry and move in together? Surely, Mr. Speaker, you would agree with me that the tax system ought not to have too much to say about that.

• (1340)

There are lots of other considerations and values that ought to go into that question of whether people ought to live together or whether they should marry. The tax system has a lot to say about what they do.

According to the Statistics Canada survey, the benefit in simply living together over marrying for these two people in one year is $3,758 and that does not even take into account the cost of holding a wedding ceremony and a dinner at a local hotel.

I think that is more in a category of anomaly than simply bad policy but it has become, because of its anomalous result, bad policy. It is one that needs a focus of policy makers on that issue. Really, the underlying issue is not so much whether people should marry but the issue is what should be the appropriate unit of taxation. It is a complicated issue, but when we have gone through seven years of tax changes which have included such things as taxing back family allowances, old age security benefits and when we have moved from a system of exemptions to credits, and so on, we have taken what used to be perhaps a minor difference and we have made it into a very large difference. I would argue in favour of neutrality when it comes to that question.

The next thing the minister talked about back in those golden days of 1987 when he was going to reform the tax system was that the tax system should encourage competitiveness, growth and jobs.

I want to remind the House that the tax reform came in two phases. We had phase 1, income tax reform, which essentially consisted of lowering the top marginal rates, broadening the tax base a bit, trying to prepare people for the 1988 election with some lower tax rates.

Phase 2 was sales tax reform, brought in safely after the election, with the imposition of the GST in January of this year. When you look at this objective of competitiveness, growth and jobs and you think about what has happened as a result of the imposition of the GST, you have to give the government really top marks for what it has accomplished. It has stimulated incredible growth in jobs, in building shopping malls in border cities in the United States.

What has happened here is that in talking about competitiveness, growth and jobs, we have actually had a sharp increase in income tax rates over seven years, despite the lowering of the top marginal rate as a result of phase 1 in tax reform.

Second, we have had the introduction of the goods and services tax. Going back to Mr. Grady's study, he quotes the minister: "As the minister has reminded us on many occasions, lower marginal personal tax rates increase the incentive to work, save and invest. They also encourage initiative and risk taking."

What he then concludes, as I read earlier, is that the system has become rather unfair. He also goes on to say that the marginal personal tax rates that are in effect in 1991 are for most people higher than they were in 1984. As he points out: "14.2 million individuals would be facing a higher federal marginal tax rate in 1991 than they did in 1984; only 4 million would have a lower marginal tax rate".

The average marginal tax rate—and that is the rate of tax you pay at the last dollar that you earn—is higher in all brackets except for the two highest where total income exceeds $100,000 per year, higher in all brackets except the two highest.

"The magnitude of the increase in average marginal rates is particularly striking in the $30,000 to $40,000 income range at which the increase is 8.4 per cent and 7.1 per cent, respectively".

This has got to be a very harsh indictment of the results of seven years of controlling taxes, but that is where we came to after those seven years. The very people whom you want to have motivated, busy, active, out creating opportunity and jobs are the people who are facing the highest increase in their tax rates.

On top of that, you have the imposition of the GST. All other criticisms aside, it was brought in at a time when the economy was going through a recession, when the Bank of Canada was pursuing a monetary policy designed to stop inflation in its tracks and when it was known to the government as well as to everyone who took an interest in this that the imposition of the GST would provoke inflation.

The member opposite asks: "How much?" He should know that it is provoking over 1 per cent on an annualized basis, which is a significant addition to the rate. You might argue that if it were not for the recession, the rate of inflation induced by the GST might be higher.

On top of that, still talking about the minister's objective of competitiveness, growth and jobs, we have had a continuing increase, not just at the federal level but including the federal level, in payroll taxes, which is a very heavy burden on small business.

I know there have been those who have written in favour of getting rid of the lower tax rate on small business. I think Professor Brooks, for example, has proposed that the lower rate of tax on small business be done away with.

That lower rate only goes part way in compensating for the relatively heavier burden borne by small business as a result of payroll taxes in general, and recently the increases in the unemployment insurance contributions by employers.

That came at a time in the business cycle, beginning in July of this year, when we may have just been coming into a recovery. That payroll tax was like a wet blanket being dropped on top of that shaky recovery. It adds to the burden every small business owner faces in dealing with expanding employment opportunities within a firm.

The payroll tax, like the unemployment insurance contribution, is not based on profit. It is based on the number of people working for the employer. Whether the firm is profitable or not, the payroll taxes are collected.

Rather than encouraging competitiveness, growth and jobs, I would suggest that the last few years have done quite the opposite in terms of tax reform in Canada.

Next he says: "The tax system should be simpler to understand and comply with"; the old objective of simplicity. Here is this year's contribution to simplicity, Bill C-18, all 2,000 pages of it. That is what we are doing to simplify this, which is my most recent version of the Income Tax Act.

It is now running, including the tax conventions and so on that are attached to it on very thin paper, at about 1,470 pages to which these changes are being made. I would love to take these on an airplane with me, but unfortunately, they will not fit under the seat in front of me.

Simplicity is an illusive goal. Anyone who takes this on has to acknowledge, as I said earlier, that our society is complex. The very fact that the minister drags it out and talks about simplicity as being an objective of tax reform in the context of putting out bills on an annual basis, virtually, that look like this one is laughable beyond belief.

• (1350)

I wish I had brought in with me a booklet I received in my constituency office from the government on plain English for use in government publications. I suspect though, that if we put the Income Tax act into plain English, it might be somewhat more difficult for me to lift up than this version.

His next objective was: "The tax system should be internally consistent and consistent with other government programs". That is a tough one. We have looked at some of the peculiarities of our system. For example, we have this tax-back. Some people call it a clawback on old age security and on family allowances.

There we have programs that operate completely at variance with the tax system. We have a program that says in the case of old age security that we are going to ensure that every person qualifying for old age security has a certain minimum amount which they receive as a right of citizenship. They have paid for it through their

taxes over the years and, in some cases, between 1952 and 1971, they paid for it with a special targeted earmarked tax for their old age security.

In the case of family allowances, we have a system that says children are important. We are going to make sure that people with children have some additional support from the state to help them, regardless of their income level. Everybody with children is contributing to the future of Canada and they should get this help. Those are the social policies.

On the tax side, we have a bizarre system in which if you have income in excess of $50,000, you are going to find those benefits taxed back. There is a lack of consistency in approach there, particularly if we look at the strange situations in which the recipients of the old age security are taxed based on their incomes and likewise with the family allowance. There could be two members of the same family adding up to the same total income and not suffering the tax back implication. It is not based on family income, it is based on individual income. It is a lack of consistency.

Those are changes that have come in since this paper by the former minister was produced.

He says: "The tax system should provide a more reliable and balanced source of revenues to finance essential public services". In terms of reliability and sources you would have to give him a pretty good passing grade on that. He has raised taxes in every category of taxation, save one, and that was the corporate income tax. A strange omission, that one seems to have been reduced in rates but the others were increased. Personal income taxes have gone up significantly, as I previously mentioned. Revenue from payroll taxes has gone up. Revenue from sales and commodity taxes has gone up and the rate of tax on corporate income has gone down.

He says: "The tax system should provide a more reliable source of revenues". In terms of reliability, I think what we have to say is that the reliability depends on the willingness of people to accept the system and to pay it on a self-enforcing basis.

It has been the tradition in Canada that we have a system of self-assessment and self-enforcement. The audit provisions that are pursued by Revenue Canada are ones that rely heavily on the presumption that virtually all Canadians accept willingly the obligation to pay their income tax and I believe Canadians continue to feel that way.

What I fear though, is that in the past years the tax burden has become so onerous and the anger that Canadians feel about what they consider to be a lack of fairness is so great that the system of self-assessment is going to break down.

People in my constituency and I know in other constituencies as well are repeatedly saying to me that they are paying too much and they are getting too little value for what they are paying. That to me is a warning that if we do not get this system working right with a perception that it is fair, we are going to begin to pay the price of the breakdown of the self-assessment system.

There are a number of things that I think the government has done that have provoked a sense of unfairness and there are some things that I think are still there for it to consider, if it will look at them, in trying to make the perception of the system more fair.

One of the things that has contributed to the lack of fairness is the sense that somehow people at the top end get a lot of breaks and people in the middle get to pay all the bills. What has contributed to that? Partly the reduction in rates at the top end. The marginal rate has been reduced at the top brackets. Also, the reality is that there are many things that high income taxpayers can do to reduce or avoid paying income tax that are not really available to those people in the middle categories. It is all they can do to pay their bills as they become due and enjoy a reasonable quality of life.

There are some things that this government introduced that have added to that and I am thinking particularly here of the capital gains exemption. It started out to be $500,000. It was reduced finally to $100,000 except for farms and small businesses. On that $100,000 capital gains exemption that enables taxpayers to not pay tax on their first $100,000 of lifetime capital gains, those gains can be realized on property that is not even Canadian.

The object of that tax exemption was to try to encourage investment and to encourage risk taking, but the exemption, as it applies, is equally applied to things like condominiums in Florida or in Spain and to stocks and bonds that are held in foreign countries. The capital gains exemption applies to all of those. I do not understand what is gained by Canada, even on the theory that the government proposed it, by an exemption that is so broadly based. I would suggest to the government that it simply eliminate the $100,000 capital gains exemption.

Canadians also wonder when they hear the annual taxation statistics why there are still people in very high income categories who do not pay any tax. If you look at the statistics and try to analyse them, there are are only a few reasons for that. One is that they have suffered losses in previous years or sometimes they have suffered losses in subsequent years and they have applied back in other businesses. A loss is a loss and nobody prefers avoiding tax to paying tax when it means they had to lose money in order to do it. I can accept that one but in the vast majority of other cases you will find that high income Canadians who are in a position to borrow heavily because of other assets that they have are capable of sheltering all of their income from tax with the carrying charges incurred against the loans made.

It has been the case in the past that we have looked at the possibility of limiting the exemption for carrying charges to income earned from sources for which the money was borrowed. I would suggest to the government that if it wants to increase the perception of fairness, it should look at the issue of carrying charges and some method of limiting that deduction so that everybody is paying their fair share of tax.

At the corporate level, year after year we have examples of very profitable corporations that do not pay any tax. That creates a perception on the part of ordinary Canadians that the system is not right, that something simply is not clicking, it is not fair.

What I would suggest to the government on that is that it re-examine the system of deductibility of dividends when they are paid and make sure that all corporations that have extra cash available to pay out in dividends have paid the underlying tax on the profits that they earn. If they are paying them between companies, they pay them tax free if the receiving company owns more than 10 per cent of the shares of the company paying the dividends. If they are paying them to individuals, we give individuals a tax credit on dividends that are paid. That credit is supposed to recognize the fact that the corporation paying the dividend has paid underlying tax on the corporate profits that were earned.

• (1400)

If that is true then it is fine. In some cases however, either because of the ability to write off certain kinds of assets or because of other special treatment given to corporations, tax may not have been paid.

Consequently, you have to wonder on behalf of the rest of the poor taxpayers that are paying their full share, why is it that a corporation paying money out—obviously it does not still need the money or it would not be paying it out as dividends—should still have their shareholders enjoy the benefit of a dividend tax credit supposedly to compensate for the corporate tax that was already paid when it has not been paid.

These are the things that Canadians are demanding the government look at to ensure that the system is fair. People are willing to accept a heavy burden of taxation. That has been demonstrated by Canadians provided two things happen, first of all that they are satisfied that the system is fair, second that they are satisfied they are getting some value for the money they are paying.

When you think about it, that is not really all that much to ask. I suggest as we work our way through these 1,500 pages of Bill C-18, that we bear in the back of our minds those two questions. Is it fair? Are the folks getting value for their money?

Mr. Speaker: It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

PUBLIC SERVICE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, when the Public Service strike was in progress, my office received many calls imploring the government to legislate them back to work but insisting that we retain our credibility in the area of fiscal responsibility by adhering to the zero, three, three per cent increase.

Today these same people are expressing displeasure for a system which will allow the public servants in upper management positions to receive a bonus while denying salary increases to a lower income public servant.

This policy was created by the Liberal government in 1981 and does not reflect the stringent fiscal policy and commitment to restraint of our Conservative government. The fact that the criteria in this case was satisfied is not enough. Our government must provide equity and fairness for all. Our upper income public servants now enjoy wages equal to their private sector compatriots. Is it not now time to do away with this outdated system of bonuses?

* * *

CROSS-BORDER SHOPPING

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, of all the factors in our economy that contribute to cross-border shopping such as taxes and the goods and services tax in particular, the discrepancy in the price of gasoline between Canada and the United States is no doubt the largest single contributor to the problem.

This is best illustrated if we examine the number of gas stations per capita in the U.S. border towns compared to similar sized communities in Canada where dozens of gas stations have been forced to close due to lost sales.

Since the government is losing money on gas purchased in the U.S. anyway, would it not make sense to drop the 8.5 cents a litre excise tax on gasoline for Canadians in order to recapture lost gasoline sales and at the same time remove the main reason that same day shoppers go to the U.S. in the first place.

* * *

WORLD HABITAT DAY

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, the United Nations has declared today, October 7, World Habitat Day.

This year's theme is shelter and living environment. Shelter is a basic necessity. It is widely acknowledged that the ability of citizens to acquire decent, safe and clean housing is an important goal for all societies. Whether it is local or international, good housing is more than shelter. It is also seen as an important contributor toward better health, better education, better employment and ultimately a more productive society.

As one of the best housed nations in the world, Canada has an important role to play, both at home and abroad. In support of this United Nations effort, World Habitat Day, I encourage all Canadians to acknowledge the significance of proper shelter and a better living environment for all citizens of the world.

* * *

DISARMAMENT

Mr. John Brewin (Victoria): Mr. Speaker, in the last week we have seen major developments in the area of disarmament. We have seen President Bush's initiatives on unilateral cutbacks in the United States and on Saturday night President Gorbachev made an equally dramatic announcement about cutbacks in the Soviet Union.

Yet we have seen nothing from the Canadian government except a fawning response to President Bush's initiatives. There are a number of very critical things which Canada can do. For example, Canada can today say there will be no more cruise missile testing in this country. We can say there will be no more visits to Canadian ports of vessels carrying nuclear weapons or which refuse to certify that they are not carrying nuclear weapons.

Since the current Secretary of State for External Affairs took office there has been a virtual silence on the idea of a world summit on arms trade. There have been no initiatives about the Arctic or the Pacific. It is time Canada took initiatives—

Mr. Speaker: I am sorry, the hon. member's time has expired.

* * *

[*Translation*]

CANADA POST

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I just received the following message from letter carriers and postal workers around Val-d'Or, in Abitibi:

"We agreed, in good faith, to accept a mediator suggested by your government, and we even agreed to go back to work. Since the strike, the employer has used disciplinary measures and other tactics against employees as part of its provocation strategy. The mediation process before Justice Allan B. Gold is a one-way street, since Canada Post refuses to negotiate in good faith, hoping that eventually, your government will intervene in its favour with special legislation. We enjoin you to demand that Canada Post negotiate seriously and do so as soon as possible."

[*English*]

FERRY SERVICE

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, last Friday the Minister of State for Transport said she would not give a permanent commitment to the Wood Islands ferry service. The Wood Islands ferry is a vital link between Prince Edward Island and the mainland that will continue to be needed in the future, whether or not a fixed link is built.

The government says that it will not make any short-term decisions. That is the same thing this government said about VIA Rail in Prince Edward Island and we know where it is today.

The people of eastern Prince Edward Island will not stand for the government's "use it or lose it" policies. We depend on the Wood Islands ferry to transport our goods to market and it is a vital link for tourism. The government must come clean with the people of eastern Prince Edward Island and make a permanent commitment to the Wood Islands ferry service.

* * *

[*Translation*]

FISHERIES

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, the special fisheries support program announced last Friday by the Hon. John Crosbie and the Hon. Bernard Valcourt will bring much needed support to communities on Quebec's Lower North Shore.

[*English*]

We recall that the fishermen and plant workers of the lower north shore communities could not start the fishing season until the end of July because of severe ice conditions in the Gulf of St. Lawrence and off the Labrador coast. Decreases in groundfish catches were so drastic that the majority of fishermen and both men and women plant workers could not obtain the minimum number of weeks of work to maintain their unemployment insurance eligibility.

• (1410)

[*Translation*]

The special support program for the fisheries and processing industry will enable fishermen and plant workers to work and take training courses while participating in the restructuring process that has already started in the industry on the Lower North Shore.

[*English*]

Both ministers should be commended for this comprehensive program.

* * *

NATIONAL FAMILY WEEK

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, this is National Family Week and I wish to commend all those who have worked diligently to ensure its success. The family unit is a cornerstone of our society. It is a source of encouragement and support for each member. It is a cradle of the values and ideals which helped shape our nation.

[*Translation*]

In modern society, the State is asked to play a major role in the development of future generations. We need social programs and tax policies that benefit Canadian families with children. Every Canadian child should have an opportunity to attain its full potential.

Tragically, one Canadian child out of six grows up in poverty. Everyone who supports social justice must show more concern for children who are growing up in such adverse conditions.

Family Service Canada is doing remarkable work by making us aware of the changing needs of families today and by putting pressure on governments to take concrete action to respond to those needs.

* * *

[*English*]

AGRICULTURE

Mr. Peter L. McCreath (South Shore): Mr. Speaker, last Friday witnessed the largest meeting of farmers in the history of Nova Scotia. Over 600 farmers from all over the province gathered at Canning to discuss and

demonstrate their concern that the system of supply management, the basis for Atlantic agriculture, not be bargained away at the GATT negotiating table.

These Nova Scotian farmers unequivocally rejected the concept of tariffication as an acceptable alternative to supply management. As one farmer said, "If tariffication replaces supply management I am out of business, my livelihood lost".

The meeting unanimously passed a resolution reaffirming the support of Nova Scotian farmers for Canada's December, 1990 position at the GATT negotiations and unequivocally indicated that any deviation from that position would be completely unacceptable.

Mr. Speaker, I too stood in support of that motion. I call upon the Prime Minister and the government to give Atlantic farmers a clear statement that the government will hold firm on the issue of supply management and on the need for the preservation and clarification of Article XI of GATT.

* * *

MINING

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, the Tories' economic policy gets an "F" for failure. Canamax Resources Inc. is shutting down its Bell Creek division gold mine in Timmins, putting approximately 100 people out of work.

Why? Is it the high production cost? No. Is it the low-grade ore? No.

A fixation with trying to battle inflation with high interest rates is pushing our dollar to record high levels. The high dollar is adding to the cost of the mining industry and reducing its competitiveness. At the same time it is getting less income because of the lower price of gold.

The government must reverse policies that are destroying the mining industry and putting thousands of people out of work. These policies have put this country into a recession and will slow any recovery.

Come to the rescue of the mining industry now. Lower the dollar.

[*Translation*]

STATEMENTS MADE BY FORMER PRIME MINISTER PIERRE ELLIOTT TRUDEAU

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, what a sorry spectacle Pierre Elliott Trudeau has once again made of himself. His statements on the distinct society are unjustified, untrue and malicious.

Some hon. members: Right on!

Mr. Pronovost: What he said further exacerbates relations between Francophones and Anglophones.

Mr. Trudeau's remarks were a golden opportunity for the Bloc Québécois, Jacques Parizean and Gérald Larose, who can look shocked and offended to their heart's content.

The man who did everything to kill Meech Lake is no more than a petty advocate of revenge. Now he wants to prevent Canada and the government from achieving a new constitutional agreement that would get our country out of its present impasse, as if the country couldn't get along without him.

We all know that Mr. Trudeau is still the real leader of the Liberal Party of Canada and that he manipulates his successor and his successor's entourage, who should have the courage to denounce him publicly.

Some hon. members: They don't have the guts!

* * *

[*English*]

YOUTH PROGRAMS

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, this government's record on youth policy is becoming a serious national concern.

At a time when our country is preparing to compete globally, this government continues to clearly demonstrate lack of insight and understanding of how a globally competitive society is achieved.

It is not achieved by having a youth unemployment rate of 17 per cent, by reducing our commitment to post-secondary education, research and development, by having a training strategy which is seriously questioned and doubted by our business community, by lack of

concrete action on our 30 per cent high school drop-out rate or our 20 per cent illiteracy rate.

As a nation, we are in desperate need of immediate solutions to these fundamental challenges, all important prerequisites for achieving global competitiveness. In this vital process to the future of our nation, our youth must be full partners. It is our responsibility to lead the way.

* * *

PROPERTY RIGHTS

Mr. Garth Turner (Halton—Peel): Mr. Speaker, over the last few days in this House I have tried to address some of the misinformation being spread by those who oppose the idea of putting property rights back in the Canadian Constitution.

This is an historic and important right first enshrined in the Magna Carta of 1215, reinforced by the 1948 UN Declaration of Human Rights, and contained in the 1960 Canadian Bill of Rights.

Today's myth about property rights is that there is no real need for them. This myth was furthered this weekend by an article in *The Toronto Star*, and I quote:

> There is no suggestion that land owners are being exposed to arbitrary expropriation without compensation. No legislatures are stomping over property rights. No courts are routinely denying due process to people seeking to protect their property.

This is untrue and unfounded. There are countless examples on record of people losing their land through expropriation or having the value of their land reduced through zoning and other regulations without just compensation.

This is unfair. Why do we need property rights? Let us ask Karl Marx. "The theory of the Communism", he said, "may be summed up in a single sentence"—

Mr. Speaker: The hon. member's time has expired.

* * *

SECURITY INTELLIGENCE REVIEW COMMITTEE

Mr. Derek Blackburn (Brant): Mr. Speaker, on Friday the Security Intelligence Review Committee made its annual report public.

In light of the Persian Gulf war, the Al-Mashat affair and the Oka crisis, one would think it has been a busy year for CSIS. The Canadian Security Intelligence Service has indeed improved since it was created in 1984. However, in its report, the review committee concludes by giving CSIS an absolute clean bill of health. According to the report, every operation undertaken by CSIS and reviewed by the committee was just fine.

In past years the SIRC did not shy away from criticising the operations of the CSIS and the focus of its investigation. Has the review committee lost its bite? Has it even lost the ability for whistle-blowing?

The committee acknowledged that CSIS uses information passed on by the Communications Security Establishment, the ultra-secret listening apparatus of the Canadian government. CSIS cannot obtain such information on its own, but there are no laws that stop the CSE and the committee has failed to warn Canadians of that danger.

Does this government intend to statutorily mandate the CSE and make it fully accountable to Parliament? Will we need another McDonald Commission into the abuses of yet another spy agency before we admit that the threat to Canadians is real?

ORAL QUESTION PERIOD

[*English*]

YUGOSLAVIA

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister.

Today the Yugoslavian federal military attacked the Croatian capital of Zagreb. At least two missiles were launched. One just missed the Croatian Parliament and another landed near a 13th century cathedral.

The U.S. consulate in Zagreb has urged all remaining American citizens, including journalists, to leave Croatia.

Can the minister inform this House what is the situation of the Canadians in Croatia today and what kind of instructions have they received from the Canadian Embassy?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I can say to the Leader of the Opposition that the government is very concerned with the develop-

ment of events in Croatia. We have spoken to our colleagues and people in the European community to ensure that we have full consultation with them. All countries are condemning the breach of the cease-fire. We think it is very important that the parties respect the agreement that was reached last week.

At this point I am not briefed on the specific answer to my colleague's question, but I will get an answer for him as soon as I can.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the minister.

As I have already said, the city of Zagreb was bombarded today by the federal army. The European community has already stated that economic sanctions would be imposed, probably as early as this evening.

Therefore, I ask the minister: Does the government intend to impose economic sanctions on Yugoslavia, as the European community intends to do, if a cease-fire is not declared by the end of the day?

• (1420)

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, this is certainly an option that is under consideration in consultation with our colleagues in the European community, but it is a question that we have not decided on. We want to follow very closely the progress of events. As I indicated in my previous response, we are very concerned by the developments since the cease-fire agreement.

If this is a way which can bring people to their senses in that country then certainly that is an option that bears close consideration, but at this point no decision has been taken.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have another question for the minister.

It was not long ago that the government seemed very keen on the Conference on Security and Co-operation in Europe, the CSCE, a great institution for peace and security in Europe.

Now that we have a chance to use CSCE, the government seems to be a little bit less enthusiastic. In fact the hon. minister a few minutes ago referred to the community alone while the CSCE conference includes more countries and many of these other countries have quite an interest with some partners within Yugoslavia.

I would like to ask the minister: Why has Canada not asked for an emergency meeting of foreign ministers of the CSCE to deal with the tragic situation in Yugoslavia today?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the meeting that has just completed in Moscow did not have as part of its mandate the consideration of the matters in Yugoslavia. However, I should advise my hon. friend that later this week, I believe on Thursday, there will be a meeting of officials who will discuss, under the auspices of the CSCE, the situation in Yugoslavia with a view to seeing whether there is some influence that can be brought to bear by that organization on the terrible situation in Yugoslavia.

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DAVID MILGAARD

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Justice.

Last September the Prime Minister, in a visit to Winnipeg, met with Mrs. Joyce Milgaard, the mother of David Milgaard, and at the time said that he would make representations to the minister to reopen immediately the David Milgaard case in light of new evidence that had been presented.

It is now going on four weeks since that commitment has been made. I would like to ask the Minister of Justice if she is now in a position to announce the reopening of the David Milgaard case for another trial which he so properly deserves.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think, with respect, the hon. member has not accurately conveyed the Prime Minister's comments to Mrs. Milgaard. They were with respect to the fact that he would look into the question of her son's health and his condition at Stony Mountain Penitentiary.

He did that immediately, and I am advised that penitentiary officials have discussed a possible transfer with Mr. Milgaard and those discussions are continuing.

I have indicated in this House before that the application is in my office. I am advised by the department that it will be on my desk soon, and I will deal with it as expeditiously as possible.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, with all indulgence, if the minister would look at the transcript of the Prime Minister's remarks, she would know that the Prime Minister understood that Mr. Milgaard's health is directly related to the long time he has been waiting for this government to reopen his case. I can only urge the Minister of Justice to do it with as quick a dispatch as possible.

I would like to ask a supplementary question of the Solicitor General. At the same time the Prime Minister was again given a request that for the sake of his emotional and physical well-being Mr. Milgaard be granted a transfer to another institution pending the outcome of the justice minister's appraisal and review of his case.

I want to ask the Solicitor General if he is now in a position to announce the acceptance of that request and if Mr. Milgaard will be moved to another institution awaiting the Minister of Justice's decision.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I wish to thank my friend for his interest in this matter. I think at this time it would be appropriate to share with the House a letter from the Prime Minister to Mrs. Milgaard in which he said: "I wish to inform you that the warden of the Stony Mountain institution has spoken to your son about the possibility of a transfer to another institution, but your son was not prepared to discuss it at that time. Please be assured that the prison authorities remain open to consider the possibility of a transfer should your son wish to raise the request again".

I would say to the House that I am not in a position to release any further material in this matter because of Privacy Act considerations, but I want to assure the House that every effort is being made to accommodate Mr. Milgaard.

AGRICULTURE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of State for Grains and Oilseeds. In the last 10 days we have seen rallies and demonstrations in a number of Canadian provinces: Ontario, Saskatchewan, Manitoba and Alberta. We know that there are a number of rallies planned for the next couple of weeks.

Since the government has known about this situation for so long, why has the government not announced a program to save the farms and rural communities in Canada? Why has it waited so long?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, with respect, I do not believe we have waited so long. We have been on to this problem starting back as early as last spring when we established a third line of defence committee to look at this issue, to identify the shortfall in income. That process has continued.

I attended a meeting of that committee in the first week of September. The Prime Minister met with the same committee last Friday. That committee is going to be making recommendations to us.

I would point out that this process is something that farmers are themselves involved in. Once we see the recommendations coming from the committee then we will be in a position to make a decision.

I reject out of hand the fact that it has taken so long. In fact, it is the other way around. We have seen this coming and we have had farmers working with the government to deal with this very serious issue.

Mr. Rod Murphy (Churchill): Mr. Speaker, the thousands of people who have been showing up at rallies in each of these provinces indicate that they cannot wait for the government to study and study and consult and consult. It has had many months.

The former Minister of Agriculture who is now the Minister of Finance has had time. Is the government going to make up the shortfall of approximately $1 billion in farm income this year? Is there a commitment from this government to make up that shortfall? The farmers want to know.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, at the meeting on Friday with the farm leaders, the Prime Minister, the Minister of Agriculture, the Minister of Energy, Mines and Resources and myself, the Prime Minister made a commitment to provide some shortfall money in addition to the programs that are already in place.

I would point out that because of this government there are two safety net programs in place which were not there a year ago that will provide, if everyone makes use of the programs, over $1.5 billion in support between now and Christmas and over $1 billion in the first six months of this year.

On top of the commitment that the Prime Minister made on Friday, there is going to be some substantial money available to farmers this fall. We know that that is not the total solution. That is why we are pushing so hard to get a resolution to this international foolishness at the GATT which sees farmers in Canada damaged by a trade war between the Europeans and the Americans.

Mr. Rod Murphy (Churchill): Mr. Speaker, the minister knows that even if they were to resolve the issue according to their request at the GATT, it would only increase farm income about 10 per cent in this country.

My question for the minister is: When will the government make a commitment to resolve the problem that exists right now? We know that farmers are losing their farms. We know that small businesses in rural Canada are going under. The people involved in those demonstrations want a commitment from the government now. When will that be made?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the Prime Minister, again at the meeting on Friday, asked myself and the Minister of Agriculture report to him by this Friday on what we propose to do in conjunction with working with the Minister of Finance.

I would like to say to the hon. member that if he wants to help farmers, he should talk to the labour people at Thunder Bay to get them back to work. This would help farmers at a very critical time, because what is going on at Thunder Bay hurts everyone. It hurts the seaway system. It hurts farmers. It hurts everyone.

The hon. member should talk to his labour people and get grain moving at Thunder Bay.

* * *

DE HAVILLAND

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Acting Prime Minister.

Last Friday Boeing announced that starting next year 1,300 high-tech jobs at de Havilland, one-quarter of its work force, would be eliminated.

• (1430)

Rather than watching and allowing de Havilland to bleed, why will this government not immediately restore public and international confidence in de Havilland by declaring its unconditional support and partnership in order to protect the jobs, the research and indeed the future of de Havilland and our aerospace industry, regardless of what the private sector does or does not do.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am not quite sure what the hon. member has in mind by the code words he is using, but let me be quite specific with him.

We have been working closely with the Province of Ontario and with the Boeing Company. I have also personally spoken to the officials and representatives of Aerospatiale in order to try to develop a very precise list of what the options might be for de Havilland at this time. Those discussions are continuing.

It is unfortunate but the decision of the European Community has put this acquisition by Aerospatiale and Alenia into a very uncertain position. It might well kill the deal completely, in which case the position of de Havilland is a very serious one indeed.

We are looking at various options and if I have anything to report to the House I will do so.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the European Community launched this action back in June. The government has had four months to work on alternatives. Surely it does not need more studies. Surely it had a contingency plan in its back pocket.

Mr. Speaker, when this government gave away de Havilland plus $60 million without a single job guarantee, the then President of the Treasury Board promised Canadians that this deal would, "strengthen de Havilland and provide for secure jobs".

Now Boeing wants out. It is cutting jobs and has threatened a plant closure. Will this government immediately order a public inquiry into its botched privatization and the future of de Havilland.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I do not know how the hon. member can use those words. The position of de Havilland today is very seriously impacted by the recession and by the serious state of the commuter airline market.

If the hon. member wishes to look around at some of de Havilland's competition, he will find that each one of these companies is suffering from the same problems. In addition, there is the uncertainty as to what would happen with the acquisition proposal by A and A of de Havilland.

My friend says we have known about this since early spring. Yes, we had, but we had been given advice by A and A, who should know best, that it was their best judgment that the commission would approve the deal. In fact, it did not, as we found out last Wednesday.

My hon. friend says we gambled and we are wrong. He is wrong again, because it was the advice we received from Aerospatiale and Alenia which told us that they thought the commission would approve the deal.

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TRADE

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is for the Minister for International Trade. The U.S. administration has taken unprecedented action against our softwood lumber industry by demanding that our producers post bonds before any countervailing determination has been made. This action is not only harassment but it is contrary to international trade law.

What action is the government prepared to take against this violation of international trade law?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I stated very clearly that in this case I do agree with my colleague from Cochrane—Superior. The action on the part of the U.S. government is contrary to international trade law and, as I said previously, we are looking at various options.

At a minimum, we are taking to the GATT our contention that stumpage rights cannot be considered as a subsidy. That is something we will be launching shortly.

What other options we might have is something I am not in a position to say at this point.

[*Translation*]

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I have a supplementary question.

Since 1987, the Canadian softwood lumber industry has been devastated by the export surcharge on lumber and this government's economic policies. Why did the government take so long to take this case to GATT?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we have acted to deal with the issue, to terminate the memorandum of understanding.

We had determined to terminate the memorandum of understanding because we believed it had served its purpose. The memorandum of understanding was cancelled as of midnight last Thursday night. The Americans have announced their response and it is something we oppose. We have made it very clear to the Americans that we are in opposition to them. They understand the position very clearly.

We will be working with the industry and with the provinces in support of their position in the countervailing action that the U.S. administration has launched. With the full co-operation of the industry, the provinces and the federal government, I am quite confident we are going to succeed.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to pursue this question a little further with the minister.

The minister has suggested this is contrary to GATT. I want to ask the minister if this is not also completely contrary to the specifics of the free trade deal. Is this not

something which proves that as far as President Bush is concerned, the free trade deal is meaningless when powerful interests from the United States start to pressure him and make him forget his professions of friendship with this country. Is this not an action which runs directly counter to the free trade deal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I will repeat myself.

I said that this action on the part of the U.S. administration is contrary to international trade law. By our termination of the memorandum of understanding, we will succeed in bringing the trade in softwood lumber under the free trade agreement where it will be subject to the normal dispute settlement mechanisms that have worked well in the past.

In 1986 we did not have the free trade agreement in place and we did not have the dispute settlement mechanism as an ultimate source of appeal. Now we have it and we are going to make use of it in the event that the actions under the countervailing duty investigation are unsatisfactory.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, Canadian lumber producers are already being hurt by the actions taken by the United States.

These actions were taken unilaterally under section 301 of the trade regulations. Is this unilateral action on the part of the United States not directly contrary to the free trade agreement? Does it not mean that it is possible, not in six months but right now, for the government to take action under the trade deal to get these bonds which are supposed to be put in place eliminated and rolled back? Can he not take action right this day?.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the trade in softwood lumber was not subject to the free trade agreement prior to last Thursday at midnight. By our actions in terminating the memorandum of understanding, we have brought trade in softwood lumber under the free trade agreement.

The United States has taken some action which we disagree with fundamentally, but it is its right under the free trade agreement to take those actions as we could if we were in the same position it is.

What my hon. friend should be complimenting the government for is that we have a dispute settlement mechanism that we did not have in 1986 that can protect us as we go through the process of the trade remedy legislation which the U.S. has in place. We do have protection today that we did not have in 1986.

* * *

• (1440)

TREASURY BOARD

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, contrary to what the government said in this House last week, performance bonuses to government appointees and the heads of Crown corporations started in this country in 1987 as a result of the report of an advisory committee appointed by this Prime Minister. At that time he publicly said: "I have no quarrel with paying somebody top dollar, but I also believe in disclosure".

I ask the government: Why then has it for the past three years approved these bonuses to heads of Crown corporations and the like while refusing to release the figures to the people who are footing the bill, the Canadian taxpayer?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as I explained several times last Friday and as was explained by the President of the Treasury Board prior to that, the total remuneration to Crown corporation agency heads is based on recommendations from an independent committee, the establishment of which was made by the previous government, and I think the same chairman is there today as was there under the previous government.

Part of the pay, up to 10 per cent, between zero and 10 per cent, is by way of performance pay. It has been the policy of the Government of Canada for as long as I can remember—perhaps he can ask his leader whether it was in place when he was President of the Treasury Board—that pay levels of senior public servants in this country

are given in terms of ranges. This is out of respect for privacy and so on.

That has been the policy of the government and remains the policy of the government, the pay ranges. As I said before and as the President of the Treasury Board said before, the performance pay can be between zero and 10 per cent. For the last fiscal year, that is 1989-90, it represented 4.8 per cent, I believe.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the minister is trying to rewrite history. The employees of the Canada Employment centres across Canada got their performance gifts this year. They got mugs and lapel pins. The mugs were made in Taiwan and the lapel pins were stamped "made in the U.S.A." So much for Canadian employment at Canada Employment.

I want to ask the minister of employment if he is aware that a movement has started now—it started in Newfoundland on Friday; it is spreading across the country today—to send back all of those performance gifts, mail back to the minister thousands of mugs and pins.

Will the minister now call on the heads of these Crown corporations and government appointments to forgo their performance gifts, those huge cheques, and accept a mug and a lapel pin instead?

Some hon. members: Hear, hear.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, entertaining as usual but also no more enlightening.

Some hon. members: Oh, oh.

Mr. Andre: The hon. member refuses to accept what is simply the truth, that remuneration for senior officials who are appointed by the government is established based on advice from outside groups. That is a system that has been in place before this government was elected. It was put in by the previous government.

If the hon. member has a better way of doing it, a fairer way of doing it, fairer to the people involved, fairer to the taxpayers of this country, that will ensure that we get the right people in the right positions and they are remunerated properly, let him make that suggestion. I see he forgot to raise his cup when the camera was on him. Perhaps we could have a flashback over there so he can be seen.

Mr. Speaker: Perhaps we can't.

FISHERIES

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

For a number of weeks now we on this side of the House have been asking the government for assistance for fishermen and plant workers in Atlantic Canada who have not qualified for unemployment insurance this year. We therefore applaud the announcement by the minister of fisheries on Friday in St. John's of a $39 million assistance program for those fishermen and plant workers who have not received unemployment insurance.

Some hon. members: Hear, hear.

Mr. Tobin: Having said that, the minister of fisheries will know that there were several thousand fishermen and plant workers who, because of their desperate circumstances, qualified for extremely low unemployment insurance. Many of them will have payments this winter less than $400 a month, as low as $70 a week.

I want to ask the minister—and I thank him for the help for those who did not qualify—what assistance will be forthcoming for those fishermen and plant workers whose income this winter will be less than $400 a month.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I do not often hear the hon. gentleman opposite laud anything, so I would like to thank him for his laudatory comments.

With respect to the latter part of his question, this is a real problem. There will be a number of fishermen—we estimated in excess of 3,000 in Newfoundland and Labrador—who will have low UI benefits because they had very low stamps and very low catches of fish although they qualified for UI. The part of the program that will help them to some extent is the gear-up part of the program. Next spring, March or April, there will be a payout to such fishermen in the affected regions who received lower unemployment insurance benefits than usual. They will receive $800 each to help them gear up for the coming fishing season.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I want to assure the minister that as long as he keeps his auditory nerve functioning we will keep our laudatory comments coming.

I want to ask him to hear what I am saying. We met with fishermen this weekend on the Baie Verte Peninsula who cannot live on $70 for the rest of the winter.

I am asking the minister whether or not he agrees that an income of $350 a month is too low, whether or not he agrees that people who qualified because of their best effort with low stamps should not be penalized. Therefore, can he tell us: Will a supplementary payment be coming for those fishing families who have low incomes this winter? Will he or the minister of employment meet with the Prime Minister and with the President of the Treasury Board to find the supplementary dollars to ensure that these families, in the words of the Leader of the Opposition, "pass a decent winter"?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the Government of Canada has found, I think it is, $59 million altogether including $18 million in compensation for fishermen who were affected by ice and could not fish earlier in the year. That, I think, is a very considerable contribution.

We are also going to have a look, the Minister of Employment and Immigration and I, to see if some better scheme can be found that would deal with these kinds of problems.

In addition to that, there is nothing that stops the government of a province from assisting in any way fishermen or others who need assistance, who participate in the provincial economy.

There is a $2 million contribution from the Government of Newfoundland to help with the employment creation program, but if the province wants to supplement what we are doing further it is certainly welcome to do that.

* * *

ALGOMA STEEL

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Industry, Science and Technology.

He will know that the steel industry is at risk in this country, and it is not only Algoma Steel. Foreign imports have gone up to 25 per cent. The American share of our market is 17 per cent, which has tripled since 1988.

The government has seen fit to aid certain ailing industries and this party lauds that. That is excellent. You say yes to some industry but no to steel workers for a $10 million loan guarantee. You say yes to some and to steel workers: "let them eat cake".

When and how are you going to say yes to Algoma Steel?

Mr. Speaker: I do not want to have to keep interrupting every week, but there is a proper way to address ministers. I know hon. members know what it is and I want them to adhere to it.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, in response to the hon. member's question, let me say that we are working closely with the people at Algoma Steel and all those concerned with the difficulties that Algoma finds itself in today.

Far from ignoring the situation, we are spending a good deal of time in trying to find out what the right solution is for that company, its workers, the shareholders, the bankers—all those people who have an interest in the final results of the Algoma situation. We are working very closely with them.

• (1450)

I think we have indicated our support in the past and with the approach we have taken in order to see a positive resolution to this matter which, as my hon. friend knows, is a very difficult matter. He is absolutely right. It is not just a question of the problems with Algoma Steel, but it is a question of problems in the steel industry as a whole.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my supplementary question is for the minister.

We are at the eleventh hour. We cannot wait any longer for maybes and rhetoric. The restructuring proposals, no matter what they will be, are coming forward and there will be 1,500, 1,800 or 2,000 people who will not be working at Algoma Steel. That is almost accepted.

I am asking the minister at this time: Will he say yes to assisting the steelworker with older worker adjustment packages? Will he give tax credits to assist in employee buyout which he has endorsed and the Minister of

Finance has endorsed? Yet *The Globe and Mail* indicates that perhaps the federal government has already said no.

Will he assist in retraining? Will he say yes to any of these now before it is too late?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we have made it very clear that we believe the best participation we can have in this matter is to deal with the people who are adversely affected by the problems at Algoma Steel. We have made it very clear that employment adjustment measures, whether it is older workers or other workers, whether it is through training, is a very appropriate role for the federal government. We have indicated to all those concerned that this is the position we have taken.

I am sure the hon. member will remember that when we briefed him on this issue that is what he was told at that time.

* * *

[*Translation*]

CANADA LABOUR CODE

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

On June 17, I mentioned that I had been trying to get paid preventive withdrawal of pregnant workers in federally regulated businesses included in the Canada Labour Code.

The Minister of Labour then replied: "I am currently consulting with groups representing these women and with employers, and I expect that this fall I will be able to table the appropriate legislation."

Can the minister tell us today if this said legislation is being drafted?

[*English*]

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I would like to advise the hon. member for Abitibi that there is great concern on the part of the federal government re this matter. That is why the minister has asked to have consultations with the employee and employer groups.

I would also like him to know, since he first raised this subject, that those consultations are now finalized and that the minister will be reviewing the results of the consultations. He will then be bringing proposals forth to his cabinet colleagues this fall on this very important matter.

* * *

ALGOMA STEEL

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Industry, Science and Technology.

Published reports today indicate that the federal government is refusing to provide tax incentives for an employee buyout plan at Algoma Steel in Sault Ste. Marie this year. The minister knows that the closure of this plant would involve over 6,000 jobs and would practically be a death-knell for the city.

I wonder how the minister can explain why he is refusing these tax incentives to assist the company and the employees save their jobs and save the community.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I read *The Globe and Mail* this morning too and was somewhat surprised at the headline.

I think the facts should be known to the House. The federal government is supporting Ontario's plan. It will deliver Ontario's tax credit and the entire plan. It has agreed to provide a matching credit for investment fund components.

We match similar provincial tax credits when we satisfy certain criteria. The funds must be invested in small businesses and must hold a diversified portfolio of investments. The employee ownership segment of the Ontario plan does not conform to the national standard. As in similar situations in the past, no matching credit is being provided. Even here the federal government is providing tax relief by not taking the Ontario incentive.

Mr. Maurice Foster (Algoma): Mr. Speaker, I think that we will want to look at exactly what all that gobbledegook means, whether in fact there are any tax incentives for an industry which is facing the creditors at the end of this month.

I want to ask the Minister of Industry, Science and Technology a question. He knows that the company and

the union have moved very close in a plan which calls for some $46 million of industrial adjustment for the workers who will be laid off. Is the minister willing to make a commitment today to provide those adjustment funds so that the workers who are losing their jobs will have an opportunity to go on and put their lives back together?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I cannot add much at this point to the previous question by the member for Sault Ste. Marie.

I have indicated that the Government of Canada has a responsibility and takes that responsibility in assisting those workers who are losing their jobs and are looking for some assistance in the adjustments they have to make, whether it is through training or other means. Once the whole program is put together then we are in a better position to understand exactly what our role should be.

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DAVID MILGAARD

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Justice.

On September 16 the Prime Minister wrote to Mrs. Milgaard and referring to her son David he said: "Rest assured that your request for him to be transferred to another institution and for the review of the second application for a new trial to be completed quickly have been communicated to the Solicitor General and the Minister of Justice respectively".

That was written on September 16. It seems that our justice system is failing David Milgaard the way it failed Donald Marshall. This is a tragedy, when people want to believe in their justice system.

I want the minister to stop stalling. When is she going to do justice to David Milgaard? When is she going to reopen this matter so that new evidence can be brought forward?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. member knows that applications under section 690 of the Criminal Code are reviewed very carefully by the Minister of Justice. I am advised by my department that the review of the second application, the advice and analysis of the evidence that has been put forward in that second application will be on my desk in the near future.

I will deal with it as expeditiously as possible and as fairly as possible.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, this man has spent 21 years in prison. Surely he can expect fairness from his own government. His own lawyer requested through the access to information system the file on David Milgaard, a 2,000-page file. He received 150 pages, most of which were press clippings and information that was already released.

When is the minister going to be fair? When is the minister going to use her authority to do justice to David Milgaard, release the file to his lawyer and reopen the case so this new evidence can be brought forward?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, with respect, I would say I always have been fair.

The hon. member will know that the remedy sought under section 690 of the Criminal Code is an extraordinary remedy. It is a remedy sought by people who have exhausted the possibilities of the regular criminal appellate system. It provides to the Minister of Justice an opportunity to explore widely to try to determine whether in fact there is a likelihood of a miscarriage of justice.

The first application made by Mr. Milgaard through his counsel was a very complex one and it took some time to complete the investigation. As well it was delayed by the fact that Mr. Milgaard's counsel brought forward on a number of occasions new considerations to be taken into account. That application was reviewed in enormous depth with the help of outside counsel. I am afraid that I was not able to find that the evidence put forward justified the conclusion that there had been a miscarriage of justice.

A new application has been put forward on a smaller range of submissions. Those are being analysed and I will deal with them as expeditiously as possible. The decision will be made on the basis of the evidence that is put before me and the law as it exists now in this country.

I will do that as quickly as I can and consistent with my duty. I have no apologies to make for the speed with

which it is being done. I believe I owe it to the Canadian people to do this with great care and thoroughness.

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NATIONAL PARKS

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Minister of the Environment.

• (1500)

On pages 37, 45 and 58 of the government's *Shaping Canada's Future Together* document, the government states it is prepared to recognize the exclusive jurisdiction of the provinces in six areas, including tourism, forestry, mining and recreation.

The federal government currently exercises all of these responsibilities together in the national parks. Is the federal government proposing to turn over its responsibility for Canada's national parks to the provinces?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, no.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I am delighted to hear it.

It should be borne in mind that there are only three places where the federal government exercises these jurisdictions. That is on military bases, on Indian reservations and in the national parks.

They specifically exempt the first two, but do not specifically exempt the latter, the national parks.

Logging is already occurring in Wood Buffalo Park. The Alberta government allows logging in its provincial parks. Given the government's proposal to apparently turn over these responsibilities to the provinces, should not—

Some hon. members: Oh, oh.

Mr. Harvey (Edmonton East): It says in the document that you are going to turn these responsibilities over. Should Canadians not be alarmed that that may open the door for provinces to routinely allow logging in the national parks?

Mr. Speaker: I listened with great interest to the question, and of course, it is a matter of importance. It ended up a hypothetical question.

The minister can, of course, deal with it if he wishes.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): No.

Some hon. members: Hear, hear.

* * *

TRADE

Hon. Alan Redway (Don Valley East): Mr. Speaker, my question is, if I can make myself heard, to the Minister for International Trade.

At the same time as the United States is claiming that we are unfairly subsidizing our softwood lumber, eight American states have offices in Toronto and are offering subsidies, including interest-free loans and tax breaks, to Canadian manufacturers if they will only shift their operations to the United States. That is hardly a level playing field.

Will the government immediately launch a trade action against the United States for unfairly subsidizing manufacturers?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, it is not illegal.

It is not counter to trade rules to offer this type of incentive, but if the incentive is found to be a subsidy that is countervailable then, yes, we can take action under our trade remedy laws which still remain in place, as do those in the United States.

If my hon. friend has any specific examples which he feels should be countervailed, then I would be happy to look into those and give a more specific response.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of the hon. members to the presence in the gallery of Signor Roberto Pocaterra, Minister of Finance of Venezuela.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to 12 petitions.

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

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CANADIAN-NATO PARLIAMENTARY ASSOCIATION

PRESENTATION OF SEVENTH REPORT

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I have the honour to present to the House today, pursuant to Standing Order 34, the seventh report of the Canadian-NATO Parliamentary Association.

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CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS

FIRST REPORT OF STANDING COMMITTEE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Consumer and Corporate Affairs and Government Operations in relation to the pre-study of Bill C-22, an act to enact the Wage Claim Payment Act, to amend the Bankruptcy Act and to amend other acts in consequence thereof.

This was the first ever attempt to do a pre-study of a bill that had received first reading in the House. I want to say that it was the unanimous feeling of the committee that this was a very useful exercise. It has promise. We would have hoped for more time to do the kind of in-depth study that would have been required of this kind of a bill. Also, it was the feeling that the parameters of pre-study should be more clearly defined before the matter is sent to committee.

All in all, members had an opportunity to not have their positions fixed in cement like the stars in Hollywood. It was a very useful exercise in the final result and I have the pleasure of tabling it.

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

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, this might be somewhat unusual, but I just wanted to take a moment of the House to indicate the support of my colleague, the member for Dartmouth, and my own for the process that was used for the pre-study of a bill. This is precedent setting, as the hon. member for Nickel Belt has stated.

I think the process was quite a useful one and members on all sides of the House went into that committee with an open mind. I hope that the House will judge that the report we have brought forward is unique, but that it arrives at a consensus from members of Parliament as opposed to bureaucrats or individuals from elsewhere who sometimes are accused, rightly or wrongly, of dictating what it is that we do in this Parliament.

It was a very useful process and I want to indicate, on behalf of my colleague, the member for Dartmouth, and on my behalf, how pleased we were to have the opportunity to participate in that. Let us now hope that the government listens to our advice.

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VICTIMS OF CRIME COMPENSATION ACT

MEASURE TO ENACT

Mr. John Brewin (Victoria) moved for leave to introduce Bill C-310, an act respecting compensation for Canadian victims of crime travelling or posted abroad.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Brewin: Mr. Speaker, this is really a re-introduction of a bill which I introduced in the last session of Parliament. It fills, in my submission to Parliament, a gap in the law as it presently is established.

• (1510)

That is, there are provincial programs of compensation for criminal injuries, but there is no similar program at the federal level, either for people who are injured within Canada, in situations coming directly under the federal jurisdiction, such as airplanes, or more even

more important, Canadians overseas who may be injured.

There have been examples of such injuries. My submission to Parliament is going to be that this is a gap which this Parliament should fill and that is what this bill provides.

Madam Deputy Speaker: Mr. Brewin moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

CUSTOMS ACT

COMMITTEE MEMBERSHIP

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, this motion addresses some problems with the committee that was struck to look at the Customs Act and is in response to the need for substitutions on those committees.

I move:

That further to the House Order adopted unanimously by the House on September 18, 1991, to establish a special committee to review the provisions and operations of the Customs Act, changes in membership of the committee be effective immediately after a notification signed by the member acting as the chief Whip of any recognized party has been filed with the clerk of the committee; and that the present order be deemed effective retroactively to September 20, 1991.

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

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

BILL C-230

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I wish to present a petition from over 400 resident of the province of Manitoba dealing with what they consider to be a serious miscarriage of justice. They refer specifically to the re-opening of the David Milgaard case.

The petition makes special reference to the fact that this is not the first time this kind of serious miscarriage has occurred.

The petitioners humbly pray and call upon Parliament to support Bill C-230, which is a bill asking for an independent counsel to be established in cases in which an appeal is made so that there can be an immediate and expeditious dispatch of thee cases, done in an objective and independent manner.

I hope the House and the government will give due consideration to the important petition from these residents of Manitoba.

[*Translation*]

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I have the honour to table a petition from residents of Joutel, Autier-Nord and Guyenne, in Abitibi. These petitioners ask that Parliament seriously considers, when it will review the Canada Labour Code, the flaws contained in that legislation, and that Parliament recognize the need to include in the Code clauses relating to the paid preventive withdrawal of pregnant women.

[*English*]

CANADIAN BROADCASTING CORPORATION

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I have two petitions I wish to present today.

The first one is from a group of constituents in my own constituency saying that the Mulroney government has cut CBC funding by $140 million over the next four years, resulting in 1,200 job losses and the closing of 10 regional stations.

The petitioners urge the government to restore proper funding to the CBC so it can fulfil its mandate and role as the heartbeat of Canada.

BILL C-21

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, the second petition is also from a number of people across Canada who state that Bill C-21 has reduced adoptive parents leave from 15 weeks to 10 weeks, while at the same time increased biological parental leave to 25 weeks, 15 weeks maternity plus 10 weeks parental leave. These petitioners call upon Parliament to review Bill C-21 with regard to adoptive parental leave, considering the literature that deals with the adoptive process, the bonding process, needs and rights of adoptive families, proper terminology in adoption and discussion with

adoptive families. All parents who have signed this, and others, call on the government to do this.

JUSTICE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I have three petitions that have been mailed to my office in support of the parents of Nina de Villiers. They are signed by people from my riding of Hamilton Mountain, and from other parts of Hamilton, Burlington, Stoney Creek, Oakville, Toronto. These people are asking that Parliament recognize that crimes of violence against the person are serious and abhorrent to society.

They are asking the government to amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 89 will be answered today.

[*Text*]

Question No. 89—**Mr. Taylor:**

> Has the government prepared or commissioned environmental assessments of (a) the 1991 Federal Budget (b) the role of the Canadian Forces in the Gulf War (c) the proposed free trade agreement between Canada, the United States and Mexico and, if so, in each case, (i) what were the terms of reference for these assessments (ii) when were they prepared (iii) what were their findings (iv) will they be referred to the Standing Committee on the Environment?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I am informed by External Affairs and International Trade Canada and the Departments of Finance and National Defence as follows:

(a) An environmental assessment of the 1991 federal Budget was not performed. However, it should be understood that the development of guidelines to assess something as complex and diverse as the Budget is complicated by the requirements of Budget confidentiality. Environment Canada is working with the Department of Finance and other departments to develop guidelines to improve the assessment of the environmental implications of new government initiatives. As they evolve, appropriate assessment techniques will be applied to relevant budget initiatives. This work will need to be complemented by assessments and reviews within departments of programs and policies which are their principal responsibilities. The Standing Committee on the Environment can request any Minister to appear before it to explain the environmental implications of any government program or policy.

(b) No.

(c) The government has not prepared or formally commissioned an environmental assessment of the proposal free trade agreement between Canada, the United States and Mexico.

The government's June 1990 environmental commitment calls for entrenching in legislation the federal government's obligation to integrate environmental considerations into its *project* planning and implementation procedures, including public participation in the environmental assessment process.

However, a trade agreement is not a project. Rather it is considered to be a *policy* initiative subject to *internal* environmental review. It is difficult to evaluate with confidence the environmental impact of a trade agreement (which is primarily a framework of principles), particularly before the start of detailed negotiations, and when the final parameters of the agreement are unknown. However, in light of the government's June 1990 statement on environmental assessments, the NAFTA, as government policy, will undergo an internal environmental evaluation. The conclusions of this process will be made public.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call Starred Question No. 40. If this response could be made an order for return, this return would be tabled immediately.

[*Text*]

Question No. 40—**Ms. Phinney:**

From which appropriations does funding for disabled people come from and what were the amounts of each of the appropriations?

Return tabled.

[*English*]

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that Starred Question No. 40 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

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

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

SOFTWOOD LUMBER INDUSTRY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, pursuant to Standing Order 52, I wish to move a motion to adjourn the House for the specific purpose of dealing with the urgent and pressing matter of the unfair action by the United States last week to impose punitive duties against Canadian softwood lumber.

[*Translation*]

This affects about 1 million workers in the softwood lumber industry. We want the House to adjourn so that an emergency debate can begin today precisely to force the Americain government to withdraw that tax which is unfair and which goes against the spirit of the Free Trade Agreement.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): The hon. member brings up a very important issue. However, given the rules of the Standing Orders as regards emergency debates, I cannot, unfortunately, entertain his request.

[*English*]

On a point of order the hon. opposition House leader.

Point of Order

POINT OF ORDER

STANDING ORDER 52

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, at some date in the very near future I would like to raise the matter with the Chair, and with other members of the House, on the procedure as it relates to Standing Order 52 and the granting of emergency debates.

I do not wish to take the time of the House today, Mr. Speaker, but suffice it to say that some of the provisions of Standing Order 52 are, in fact, not really applicable to the proceedings that are taking place today.

I am not commenting on your decision with regard to the request of my colleague, but just to serve notice that the subject matter should have an airing in order to impress upon the Chair that we must move forward in terms of parliamentary reform.

One of the provisions of Standing Order 52 is that you would have to adjourn the proceedings of the House, while, in fact, you do not have to adjourn the proceedings of the House. The time factor would not interfere in any way with the deliberations of the House, with the legislation before the House in any way whatsoever. It would not breach any of the privileges of any member who may have a Private Members' Business motion, or indeed, government legislation which is before the House.

I would like at some future date, through you Mr. Speaker, to come back to the House, and perhaps engage in meaningful debate with the parliamentary secretary to the government House leader, perhaps the government House leader, and other members of the cabinet, to discuss this issue which we believe has to be aired in a full and open way in order to achieve the objectives of the provisions of Standing Order 52.

• (1520)

Too many emergency debates have been asked for and I think if you were to look at the record, the denial of that request has been fairly persistent and extensive over the last number of years. I would hope that the parliamentary secretary would take my remarks as notice, not being as disputatious I might have been at an earlier time.

Point of Order

Mr. Cooper: Mr. Speaker, there is no doubt that the hon. member raises an important issue that is of concern to members on all sides of the House.

It seems to me the last time this issue was reviewed in great detail, or with any kind of detail actually, was during the McGrath task force. Those of us who were members of that committee spent a lot of time discussing this particular issue.

Certainly I welcome the hon. member's comments. I know that we on this side of the House are prepared to look at that particular question as it relates to reform, as we are also prepared, and are already doing, looking at other reforms like Question Period, the televising of the House, committees, and so on.

I thank the hon. member for raising it, and I assure him of our co-operation in any discussions that he may want to enter into.

Mr. Blaikie: Mr. Speaker, on a point of order, might I also add that perhaps this is something that the subcommittee of the Standing Committee on House Management, which will be looking at Question Period reform, and hopefully a variety of other things, might add to its list, both in terms of the substance of the grievance or issue raised by the opposition House leader, but also having to do with what might also be called the anachronistic language of the Standing Orders in this respect, the sense that when there is an emergency that the House should somehow adjourn.

Quite the contrary. When the House senses an emergency, it wants to meet longer. Perhaps the reality of the motion ought to be reflected in the language of the motion. I think those kinds of things are what the opposition House leader would also like the committee to consider.

I know that the parliamentary secretary to the government House leader is a member of that committee. We might actually have an opportunity to look at that.

Mr. Dingwall: Mr. Speaker, my colleague to the left has made a very valuable suggestion in terms of pursuing the subject matter, but I was even more daring than he normally is.

I thought that we might engage in that kind of debate in order to involve the active participation, either through listening, or indeed, through pointed questions of you, Sir, the Speaker of this House.

Not only would we want to look at the provisions of Standing Order 52, but also perhaps become a little bit more exhaustive *vis-à-vis* what we mean by an emergency. There may be a great difference as to what I, or the hon. parliamentary secretary to the government House leader, or my colleague to the left may think is an emergency.

Since we are not in any way exhausting the time of the House or the government from the legislative agenda, I think we might want to revisit this standing order, perhaps on the floor of the House of Commons, and thereafter perhaps to follow that in at the standing committee.

Make no mistake, we are quite serious about our attempt to have additional emergency debate because there are a great number of subject matters which, in themselves, may not be the equivalent of a war on another country, but for the different regions of this country they are extremely important.

One issue which comes to mind, we heard of earlier today during Question Period, is the fisheries in Newfoundland and parts of Atlantic Canada where we have individuals who are—

Mr. Cooper: Order, Mr. Speaker.

Mr. Dingwall: I know, I am getting into debate but that is the point that I have been trying to make. In terms of the emergencies, that might not be perceived or accepted by members of the House and the Chair as a national emergency. In that particular province it is an emergency.

I would like to revisit this matter sooner, on the floor of the House, and thereafter follow it up in committee.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I agree certainly with the intent of the hon. member to address this as a matter of reform. I have indicated that we have no problem with that.

I do, however, want to state very clearly that for us to enter into such a debate on the floor of the House of Commons would, I think, be very unusual. I think the representations made by the hon. member from the New Democratic Party make much more sense, and that is that the issue be dealt with in the committee. If I could put on my other hat as chairman of that committee, I can say to him that we are quite happy to look at that in

relationship to the issues of reform that all of us are discussing and will be discussing in the next little while.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair is very favourable to the comments made by the spokesperson for each of the three main parties in the House. In fact, to paraphrase the hon. member for Cape Breton—Richmond East, the Chair takes very seriously the comments that were just made by the hon. members of this House.

That being said, the Chair is but the servant of the House and will of course accept any indication or conclusion that you will provide.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that Bill C-18, an act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Court of Canada Act, the Unemployment Insurance Act, the Canada—Newfoundland Atlantic Accord Implementation Act, the Canada—Nova Scotia Offshore Petroleum Resources Accord Implementation Act and certain related acts, be read the second time and referred to Legislative Committee E.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, Bill C-18 is daunting in appearance. It has the appearance of a telephone book in thickness and contains a great many measures which can only be properly considered in committee. A lot of these measures are housekeeping or technical amendments to the tax system as it stands. In that respect, our over-all approach on this side of the House is to oppose the bill because it is part and parcel of a tax system which over all we oppose.

There are some good things in the bill. There are some measures in the bill which we would want to highlight as things that should have been done some time ago and which are now finally being done and there are things in the bill which are particularly odious. I hope I might also have time to highlight them.

I wanted first of all to respond to some of the comments made by the member for Ottawa South who was speaking on behalf of the Liberal Party on Bill C-18.

There were some things the hon. member for Ottawa South had to say that I feel very supportive of, and I hope I get a chance to speak to them as well. But the one thing that struck me about what the member for Ottawa South had to say was the way in which he managed to talk about the unfairness of the tax system as it stands, without fessing up to the fact that much of the unfairness in the existing tax system owes its origins to the tax policies of many previous Liberal governments.

I am speaking, of course, Mr. Speaker, of the way in which many tax expenditures, which is the technical name if you like for what people on the street generally call tax loopholes, have their origins in the Liberal government policies of the 1970s and early 1980s. For instance, the member made mention of the dividend tax credit, and I am glad that he did. In that respect at least there has been a change in policy with the elimination of the manufacturing tax that permits the member for Ottawa South to argue for a change in the dividend tax credit without actually going back on Liberal policy. What the hon. member did not go into, as I have said before, was the way in which many of the tax expenditures have their origins in the tax expenditure policies of previous Liberal governments. These expenditures, we believe in this corner of the House, are at the root of the deficit and, therefore, at the root of the willingness on the part of this government to tax the middle class to death in order to help pay that deficit. It is not just the NDP that is saying that, Mr. Speaker, although that would be enough. The fact of the matter is that Statistics Canada in a recent study showed that some 44 per cent of the deficit, I believe, was attributable to tax expenditure policies, that is to say taxes which are not being collected and which could be and should be collected in many ways. Only 6 per cent is attributable to social spending and the other 50 per cent is attributable to the high interest rate policy of this government and the way in which that impacts on the deficit.

• (1530)

What we have here in this bill insofar as it is part of the over-all tax system is a tax system which reflects the values that were so clearly and exuberantly expressed on the night of the first budget of the Progressive Conservative government. I see the hon. member for Beaches—Woodbine there. He will remember that day when the first time that Michael Wilson, the member for Etobicoke Centre, presented a budget, the thing that brought the entire Conservative caucus to its feet in a standing ovation unlike any I have seen here before, was the announcement of the $500,000 lifetime capital gains exemption. It was at that time that I realized the tremendous gulf that existed between me and my constituents, and the government and its supporters—the gulf I might say, Mr. Speaker, that exists in the biblical story between Dives and Lazarus. The great gulf between the rich man Dives and Lazarus the poor man at the gate, which can never be crossed it seems.

I asked myself, Mr. Speaker, who in my constituency was rising in their livingrooms to celebrate this $500,000 lifetime capital gains exemption? The answer, of course, is no one.

This was an exemption that was thought to be the pinnacle of Tory financial policy, which was completely irrelevant to the financial needs of the people in a constituency like Winnipeg—Transcona, with the possible exception maybe of a handful of people who do not make themselves known to me.

The fact of the matter is that we have had financial, fiscal, and taxation policies which have been directed, quite openly and honestly and straightforwardly on the part of the government, to making the rich richer in this country. The Minister of Finance said it himself. He said there are not enough rich people in Canada. Well, he has been true to his own perception of the problem, he has been helping the rich to get richer, as the hon. member for Ottawa South said. He was recounting some very familiar statistics that it is the people in the very top income brackets of the Canadian population who have benefited most from what has been called, in a bastardization of the concept, "tax reform" by this government.

This has not been tax reform in any sense of the word, in any sense of the way in which ordinary Canadians mean it when they call for tax reform. When they call for tax reform what they mean is that the tax system ought to become more fair, that the tax system ought to require more of those who can afford it and less of those who cannot. Instead, we have a tax system which, admittedly, has provided some breaks to lower income people but at the same time has provided enormous relief to people in the very high income brackets. The people who are feeling it the most, who are really taking it in the teeth, so to speak, are the middle income people.

I think that we are approaching a point in the life of Canadian politics where the middle class is saying: "We can't take it any more." The GST was the final straw. The people who cannot take it any more, and who cannot take it any the most, and this is where I agree with the member for Ottawa South, are in many cases, middle class families with children. The member went into a great deal of detail because he had a lot more time than I will have to go into the discrepancies and inequities which exist within the tax system with respect to people who have children, and how people who are middle class are not receiving the kind of support for raising children that they used to receive as a result of the tax system, as a result of the clawback on family allowances, and as a result of the way in which our school system and various other things are becoming almost user fee places.

I am constantly surprised in my own situation at the things that my kids come back from school and say: "We have to buy this, we have to buy that, we have to buy this, and we have to buy that." I remember in the 1940s, 1950s and 1960s, this was the kind of thing that the school supplied.

I think what is happening in the tax system is that increasingly for middle and upper income people, children are not being regarded as something which all of society has a responsibility to help parents support. Children are being regarded as sort of consumer choices that middle and upper income people are making and it is up to them to support their own consumer choices. If some other couple decides not to have any children and spend their money on winter holidays instead of raising children, well, we live in a free society and we all make choices.

I do not see it that way. I think that there ought to be more support for people who are raising children regardless of the income. That is why we support the family

allowance system and it is why we oppose the clawback and the deindexing of family allowances.

The member also made mention of the way in which the tax system discriminates against marriage. Maybe I have a conflict of interest that I should declare because in my other vocation, as a United Church minister, I am in the habit of marrying people from time to time. I think marriage is a good thing, and I do not see why the tax system should discriminate against marriage in this way. I do not ask it to discriminate in favour of marriage. I simply ask, as the hon. member for Ottawa South asked, that it be neutral, at the very least, with respect to this kind of choice which faces many people.

Just those few words about what the hon. member for Ottawa South had to say. As far as Bill C-18 is concerned, there are as I said a great many things in it which concern us. Some of the things we think are worth highlighting on the positive side are that it gives an exception from the tighter rules on travel and work allowances for visually impaired people, or attendants for mentally and physically impaired people. In fact, some of the best elements of this bill have to do with changes with respect to disabled people, increasing the disability tax credit, for instance.

At the same time there are elements in the bill which give an indication that the government wants to tighten up eligibility for some of these benefits. It is a bit of giving with one hand and the taking with the other, and we would like to explore that more.

Nevertheless, these are some of the positive dimensions of the bill that we have before us. For instance, it closes a loophole on the capital cost allowance for cars. It extends a deduction with respect to encouraging firms to make buildings more accessible for the disabled, again a thing which will help to increase justice for the disabled in this country. It enables tuition payments for courses paid for unemployment insurance to be deducted from UI income.

Now, Mr. Speaker, you will be pleased to know that as a result of this bill it is now officially against the law to deduct the cost of bribing government officials as a cost of doing business.

Some hon. members: Oh, oh.

Mr. Blaikie: This is a great ethical advancement in the income tax system.

• (1540)

The departmental officials maintain that this was not a widespread problem or anything, but there are some countries in which greasing the wheel is just the way to get things done. This is being put in so it cannot be claimed that its absence made it legal. This is a great step forward.

I will resist the temptation to respond to the heckling of my own colleagues here.

It extends a deduction to those receiving gallantry awards for war service. It extends medical exemptions and credits to incontinence products, mobility-aiding devices, animals which help humans, et cetera, and dwelling modifications. It also provides that no interest will be charged to the taxpayer if they receive an overpayment of their GST credit.

It allows for going back and more easily fixing mistakes and getting refunds. It raises the large corporation tax from .175 per cent to .2 per cent on capital over $10 million. This is a real hard-hitting measure. It goes a long way toward making the corporations pay their fair share. All we can say is that it is a step in the right direction, but they have got a long way to go before they will be asking the large corporations to actually be paying their way.

In the same way that this government gets tough with the corporations, sarcastically speaking, it introduces a new penalty for the large corporation tax late payments which is all of one-quarter of 1 per cent of the total per complete month, compared to roughly 5 per cent of the total amount plus 12 per cent per annum for individuals, another example of the great gap which exists between how this government treats individual Canadians and how it treats its friends in the corporate sector.

The one other good thing, I am told, in the bill is that in the language of the bill, there is exclusive language in the form of always referring to the taxpayer as he or his has been removed and we now have a language of referring to the taxpayer. I am glad to see that the government has finally caught on to the use of inclusive language and sought, when it has the opportunity, to eliminate the use of exclusive language in that way.

Some of the clauses that we would like to highlight because we find them to be ones that we would like to highlight for opposition have to do with loosening the rules on deduction for self-employed home office expenses which allow indefinite carryover of losses when

one's home expenses are more than the income earned from self-employment.

We also single out for opposition the fact that money which people receive through the Older Worker Adjustment Program will be taxable like UI income. It seems to me that workers who find themselves in this position as a result of a plant shutdown or whatever and find themselves eligible for the Older Worker Adjustment Program should get some kind of a tax break especially when we consider that capital gains are only taxed at 75 per cent. Why not some kind of exemption for people who find themselves in this very difficult situation?

I am pointing out the difference between the comprehensive way in which the government seeks to tax ordinary Canadians regardless of their circumstance and the breaks which exist on the corporate side.

There is also the question of northern tax benefit changes which the hon. member for Churchill will be speaking to in more detail on our behalf.

As I said before, the disability tax credit has increased from $575 to $700 per year. It is only indexed to inflation above 3 per cent per year. In other words, it is receiving the same kind of treatment that other social programs have. One wonders how the government came to the conclusion that the needs of the disabled only increase by the amount of inflation above 3 per cent if it is serious about actually helping people to meet those needs.

The bill also provides the minister more latitude in checking on whether people are disabled. He puts strict definitions on medical impairments for instance. Revenue Canada has already been cracking down and reassessing people back over the years for this one.

The definition of disabled is to be strictly drawn, but leaves a very wide open crack for people, especially the mentally handicapped to fall into. Whether one can work or keep up a house has been explicitly excluded, for instance, from determining disability. We think this is a matter of great concern.

The hon. member for Beaches—Woodbine has a history of being concerned about the rights of the disabled. He may have something say about this in the course of the debate, but I do not know.

I know my time is running out, but I have just a few more points.

The other thing this does is remove the transfer of education tax credits to relatives if the course is recreational in nature. We have heard a great deal on this from music teachers and particularly people who are in official schools of music. Not only have they been recently hit by the GST, which makes it much more difficult for parents to send their children for these kinds of music lessons, but removing this particular ability of the parents to have the tuition credits transferred to them is another difficulty which these music schools will find themselves in. Perhaps in committee we might be able to persuade the minister to consider something in this respect.

In any event, I see that I have no time left. This will no doubt bring great pleasure to my Liberal colleagues who do not like to hear me go on and on about how the tax system we have, in many respects, owes its unfairness to the Liberal party. I am sorry that I do not have more time to go into that. I know they are not. We will have time in the future.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Are there comments or questions? Resuming debate.

Before I recognize another member, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York West—The Airline Industry; the hon. member for Willowdale—Employment; the hon. member for Drummond—Textile and Garment Industries; the hon. member for Vancouver East—Multiculturalism; and the hon. member for Algoma—Agriculture.

I now give the floor to the hon. member for York West.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, let me tell my hon. friend from the New Democratic Party that Liberals are prepared to talk about taxes and any other issue and it would be nice if the provincial government of my own province would also engage in that fruitful debate from time to time.

I am pleased to rise in my place to speak on Bill C-18, an act to amend the Income Tax Act and other acts. This legislation was introduced on May 30 by the Minister of

Finance and proposes to change many of the tax provisions imposed on Canadians by this government.

Bill C-18 is an extensive piece of legislation. It will be noted that it encompasses some 400 pages, with over 250 clauses aimed at reforming our tax laws.

As the critic for transportation matters for my caucus and party, I am certainly pleased to leave much of the debate to our financial critics and other colleagues of the House. As the transport critic, I would rather raise and concentrate on one provision, one clause, that relates largely to the shipping industry in this country.

Speaking of shipping, it is no secret that the Canadian shipping industry has been badly hurt by some of the economic policies of the government. That is not to exclude other areas of the transport industry. We have been witness in this Chamber to similar complaints from the trucking industry. When the government deregulated the trucking industry in 1988 and opened up the floodgates for American truckers, we clearly know what the result was, much to the detriment of Canadian truckers and the Canadian trucking industry.

Similarly, we have seen the repeat exercise on the air side in terms of the open skies negotiations, whereby the Americans would want to compete freely and openly in Canada and also abroad and pick up passengers in this country. We will, I think, face the same type of results in the air side that unfortunately our truckers have met with if we allow those negotiations to take place and allow free trade in the sky.

• (1550)

Shipping certainly is not excluded in terms of the transportation infrastructure and the transportation network across the country. Ship owners, Canadian crews, seafarers, shipbuilders and our ports have all reeled from the disinterest of this government to respond to the current economic crisis and to manage the crisis in a much better fashion.

To a great extent the Tory made-in-Canada recession, the elimination of thousands of jobs, the government's disadvantaged tax laws, and excessive user fees, among other matters, have made the Canadian shipping industry uncompetitive through no fault of its own.

As those involved will know, international shipping is largely and exclusively a foreign controlled industry. Canadian shippers have often reflagged their vessels to take advantage of foreign laws, different employment practices and more competitive markets.

The provisions of clause 194 in Bill C-18 which affect our shipping industry aim to put our shippers on a more equal footing with our international competition by allowing shippers with foreign incorporation to not pay taxes on profits generated from exclusively international operations.

Having said that, I think this particular clause is on the right course with respect to righting this wrong. Specifically, the bill would add a new provision to the Income Tax Act to determine that when a corporation's principal operating residence is incorporated outside Canada for the purposes of transporting goods and/or passengers, its profits generated from international shipping opportunities would not be taxable here in Canada and thus would try to correct what has been over a number of years a discouraging variable, if you will, of not having companies register in Canada because the fear was that once you registered in Canada, not only the Canadian routes would be taxed, but all your international shipping business and transactions would become taxable.

What you have happening in Canada is very few foreign firms incorporating in Canada and also driving many of our own shipping companies to reflag in different parts of the world, such as Bermuda. The net effect was that the economic activity and the economic spin-offs were not taking place in Canada, but in other ports across the world.

It should be noted also that under the scope of the legislation departure or destination points on the St. Lawrence or the Great Lakes would not constitute international shipping as a protection to the businesses enjoyed by Canadians currently.

Currently, corporations in Canada pay tax on their world-wide income, as I mentioned moments ago, if they are a principal resident of Canada and if they are incorporated here. Such a fiscal provision has not been conducive to international shipping and many Canadian shipping companies have been hurt by a policy which curtails exclusively international business opportunities.

International shipping is truly an operation which depends on world-wide support. Often the crews, the seamen, the financing, the ship's construction, the ownership, cargo, management, chartering and the operations of one ship are from many separate countries.

An example of such internationalism was brought to my attention from an article in *Maclean's* magazine last year. In it the writer mentioned an example pertaining to an international vessel which carried British Columbian coal to Japanese steel mills. The ship was built in South Korea, financed by an American bank with Asian dollars, registered in Liberia, owned by Panamanians, with shares insured in London. The ship was subsequently chartered in Bermuda, managed in Hong Kong with staff from India and crewed by British officers and Filipino seamen.

That illustrates the complexities which have become the reality in this particular industry. As a shipping nation Canada must become competitive with the other world giants. Regrettably to date the policies of this government have inhibited the opportunities of our international shipping companies, the Canadian crews and our Canadian shipbuilders. For instance, when we talked about the United States of America, they were very ready to open up the trucking industry and push for it, and we gave in. They were very willing to open up the air market, and we are on the verge of allowing them to do that. When it came to shipping, where our vessels in fact can compete head to head with the Americans, they hide behind the Jones Act and refuse to talk about the shipping industry.

That is an example of the fallacy of the argument that this government has pursued, that where we are strong, and where we can compete, we are very hesitant to open up that market, yet where we go into it no holds barred, such as the trucking and the air side, because economies of scales dictate, we are getting hurt as a result.

In 1988, according to Statistics Canada, Canadian international shipping reach 250 million tonnes. Evidently, we are a trading nation, and a shipping nation, but under this government we have not become a competitive nation in this regard.

Allowing, therefore, Canadian shipping companies to take advantage of the international shipping opportunities I think is a pursuit that we ought to pursue as a House and as a country. Canadian shipping companies have long understood that they are willing to pay their fair share of the tax burden in Canada for their operations domestically. Even the Seafarers' International Union can see that the provisions to exempt exclusive foreign operations is a step in the right direction.

On the one extreme, I think the economic opportunities certainly can be fulfilled. For example, an umbrella organization, an advisory council called the Asia-Pacific Initiative, has recently lobbied the government and other members of Parliament with the belief that such an amendment in this bill would in fact increase the opportunities and the economic spin-offs. For instance, they have quoted that in the Vancouver area alone, if we were to set up and establish an international shipping corporation, it would create as a result 1,600 new jobs over a three year period. As well, it would infuse the local regional economy with $1 billion, and $180 million in purchases of local goods and services.

They feel that there would be a fleet of some 200 ships that would be owned, managed and controlled out of Canada's Pacific coastal waters, rather than the current 12 which are currently in production. I think we in fact can obtain and incur a number of economic spin-offs that are now going to other countries because of the tax regime that we have in place in Canada.

At the same time, however, a number of questions should be answered by the Minister of Finance before the debate concludes. Clearly the opportune moment is not only on second reading, as we are engaging in now, but clearly to seek some clarification and answers at the committee stage by my hon. colleagues who sit on the finance committee.

First, I would like to raise and question the beneficial impact of the proposed legislation as it pertains to the particular shipping clause in Bill C-18 on the employment of Canadian crews. Will, for example, the provisions of clause 194 mean lost jobs for Canadian seafarers? Will this legislation employ thousands of foreign ship workers and displace those Canadians trying to earn a living, and an income, on Canadian ships? What will happen to the opportunities abroad for our Canadian crews and will some of the international shipping lines also engage in more local competition with existing Canadian firms?

Insofar as some of those questions go, Mr. Andrew Boyle, Secretary-Treasurer of the Seafarers' International Union of Canada, wrote a letter on April 3 of this year to the hon. Minister of Finance to try to clarify some of these similar points. I would like to quote a paragraph from his letter which I think touches on the problem at hand. He states: "While it is a step in the right direction to put Canadian marine interests on an equal footing with their foreign competitors, any net benefit that would arise by this amendment would be inconsequential versus the thousands of job losses that have and will result from the government-encouraged reflagging of Canadian ships."

• (1600)

He goes on to say: "With thousands of Canadians depending on the marine industry for their livelihood, and in light of the federal government's continued marine policies that discriminate against Canadians and enhance opportunities of growth for Canadian multinationals and foreign shipping fleets, and the thousands of jobs that go with them, we hereby respectfully request that you review the attached proposal concerning Canadian seafarers working on board ship and trading internationally."

I think the Seafarers' International Union has certainly been a large voice, an important voice, and a realistic voice when it comes to the shipping industry. It would be my hope that the committee at committee stage would take a hard look at some of the concerns that not only he but other members of the shipping industry have raised in response to Bill C-18.

I hope that these concerns as well as others that have been mentioned by my hon. colleague, the hon. member for Ottawa South, will be listened to. I know that certainly my colleague from Hamilton Mountain will be talking about other concerns as they relate to other constituencies.

I would love to get into the details of the other facets of the shipping industry, but I am going to refrain from doing so. I know that Bill C-33, a shipping bill, will be coming up for debate in the House of Commons in a matter of days, and I will try to save some of the larger general issues for the debate that will ensue on Bill C-33.

What I had wanted to do this afternoon in a short span of time is try to raise this one particular clause of many in Bill C-18 that relates to the shipping industry. I think it provides both an opportunity in terms of amending our laws to bring greater economic activity to our Canadian ports, to our shipping industry, and also to realize some of the other options and multiplier effects that can bring greater economic wealth at a time when this country so desperately needs it.

At the same time we are going to engage in seizing an economic opportunity, I think we have to be fully cognizant and sensitive to some of the concerns that have been raised by the Seafarers' because in our rush and in our pursuit perhaps to change and amend our laws, we also may be watching and incurring a down side in other areas.

Certainly protection of jobs by the Canadian Seafarers' and Canadians engaged right now is obviously very high on the national agenda, as so it should be. I believe if we are sensible and if we are cognizant of those concerns we can realize the economic benefit of amending our tax laws and at the same time protect and encourage our Canadian jobs and Canadian crews to ensure that our shipping industry is put once again on a stronger foundation so that it may compete with the world's best.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, according to the government, its current strategy for the disabled consists of two main elements.

First, the income tax amendments contained in the legislation that we are debating today, Bill C-18. Second, the national strategy for disabled persons announced by the Prime Minister in Winnipeg a few weeks ago.

If those were in fact the principle elements of the government's strategy for persons with disability, I would be prepared to stand in the House of Commons and commend the government for taking some reasonable first steps in assisting Canada's disabled citizens.

The sad fact is, however, that the government's overall strategy for disabled persons is not deserving of praise. It is deserving of manifest condemnation.

Conservative members of Parliament point with pride to amendments in Bill C-18 and say: "We are giving disabled persons $65 million". Those same Conservatives seem to forget that one week ago, they voted for

Bill C–32, which will remove more than $2 billion from the Canada Assistance Plan payments.

They voted for a measure which will cut home care for disabled persons, which will cut health care for disabled persons, which will cut rehabilitation programs for disabled persons, which will cut programs for independent living for disabled persons and which will cut employment service for disabled persons.

Conservative members of Parliament also point with pride to the Prime Minister's announcement in Winnipeg of $31 million in programs for disabled persons. These same Conservatives seem to forget that a year ago they voted for Bill C–69 which slashed social service funding by billions of dollars, which slashed establishment programs financing by billions of dollars. These same Conservatives seem to forget that they voted to cut the Canada Jobs Strategy fund by $100 million, that they voted to cut social housing by $411 million, that they voted to reduce cash transfers to the provinces for medicare. The Conservative government has cut social programs by billions upon billions of dollars.

Those programs are the very ones which disabled citizens rely upon to help them get proper medical care, to help them receive training, to help them obtain proper accommodation, to help them get out of poverty, to help them live in with a maximum degree of dignity and a maximum degree of freedom.

The government has undermined all of the major programs which disabled Canadians need in order to succeed. In return the government now offers disabled Canadians the $65 million of tax changes contained in Bill C–18 and the $31 million a year more in benefits promised by the Prime Minister.

When one considers there are 3.3 million disabled Canadians, then one will see that the changes offered in Bill C–18 work out to an average of less than $20 per year for every disabled Canadian. That is less than $1.60 a month, about a nickel a day.

Using the same simple arithmetic, the Prime Minister's promise of new programs works out to 90 cents a month, less than 3 cents a day for every disabled Canadian.

An hon. member: Shame.

Mrs. Phinney: In short, the government has acted to decimate the health, educational, rehabilitation, housing and social assistance services which are critical to disabled Canadians and in exchange for committing that outrage the government is offering every disabled Canadian tax breaks and new services which work out to 8 cents a day for each one of them.

That, Mr. Speaker, is a national disgrace.

In his budget which led to the legislation we are discussing in the House of Commons today, the Minister of Finance had the nerve to say this government has done more than any other to improve opportunities and to enable Canadians with disabilities to participate more fully and more fairly in the work place, in their communities and at home.

Contrast those words of the Minister of Finance with the words used by the Canadian Cerebral Palsy Association when commenting on the government's legislation to cut back Canada Assistance Plan funding: "The extraordinary suffering which it imposes on poor and disabled Canadians cannot be justified."

There are 552,000 visually impaired Canadians. That means that even with glasses those Canadians have difficulty reading normal print. There are 46,625 legally blind Canadians. These Canadians, our fellow citizens, need the programs which this Conservative government has cut back. Forty–four per cent of Canadians with a disability have eight or fewer years of schooling. These disabled Canadians need more help, not less.

As appalling as those numbers are, they are not nearly as appalling, not nearly as distressing as some other numbers I would like to put on the record.

According to the most recent statistics officially known as the Health and Activity Limitations Survey, these are the number of disabled Canadians living in poverty: 195,000 Canadians with hearing impairment live in poverty, 225,000 Canadians with mental disabilities live in poverty, 134,000 Canadians with visual impairment live in poverty, 493,000 Canadians with mobility impairment live in poverty, 407,000 Canadians with agility impairment live in poverty.

Let me point out that agility impairment is a technical way of saying limited ability to dress or undress, get in and out of bed, cut your toenails or use your fingers.

I ask you, in 1991 in Canada what are 407,000 Canadians with agility impairment doing living in poverty? What are one-third of disabled Canadians between the ages of 15 and 24 doing living in poverty? What are 29.5 per cent of disabled women doing living in poverty?

• (1610)

Massive issues are confronting all of us in providing proper and fair legislation for Canadians with disabilities. There are the issues of financial security, employment opportunities and employment equity, independent and community living, promotion of disabled rights and the prevention of disabilities.

I do not expect Bill C-18 to solve all the problems but I do expect the government to be honest. This legislation which the government hails as a major step forward in the tax treatment of disabled Canadians is, in fact, a mere drop in the bucket, and it is a mere drop in the bucket which has just been emptied by this government. Whatever measures are contained in this bill come nowhere close to compensating disabled Canadians for the losses they are suffering from government cutbacks in other legislation.

As my colleague the hon. member for Ottawa South has already indicated, we in the Official Opposition are prepared to see this bill proceed to a legislative committee in fairly short order for detailed study. I appreciate that the legislative committee will have its work cut out for it, and I would not presume to suggest to the committee every possible area of the bill it may wish to examine. There are, however, some thoughts which I hope the legislative committee will keep in mind when studying those aspects of Bill C-18 which affect Canadians with disabilities.

Clause 90 of the bill sets out the government's proposal for disability tax credit. I hope the committee will realize that nearly three million disabled Canadians will receive no benefit from the disability tax credit. This is the largest specific budgetary item offered to disabled Canadians, and yet 90 per cent of them are ineligible to claim it. I hope the committee will keep that in mind when suggesting improvements to the bill.

Clause 91 of the bill will put into the Income Tax Act specific legal definitions for those who are eligible to receive the disability tax credit. At present those definitions are handled by regulation. I would hope that the committee will consider whether it is wise to make this change from regulation to statute. Do we run the risk of excluding certain people from receiving the credit? Is the certainty of a statute better than the flexibility of regulations?

Committee members will also want to allay the concerns of some disability rights advocates as to whether the disability tax credit and the medical expenses tax credit are complementary. Does the legislation guarantee with absolute certainty that disabled Canadians can claim one benefit without risk of losing the other?

I would hope that with respect to the medical expenses tax credit that the legislative committee will revisit the decision to limit tax assistance for part-time attendant care expenses to expenses incurred in respect of an attendant who is not a relative of a disabled person. Is there a sound reason for this limitation? Does this limitation not run the risk of discriminating against disabled Canadians living in rural or isolated areas where the only person who could possibly serve as an attendant might well be a relative?

Clause 15 of the bill deals with deductibility of business expenses incurred in modifying premises to accommodate disabled persons. In a technical vein, we in the opposition are concerned that this provision appears narrowly defined to limit the deduction to businesses providing greater access only for those with mobility impairment. Does this rule out a deduction for such innovations as talking elevators or visual fire alarms? If so, we hope the bill will be amended.

In a broader vein, it is worth while to note that the government has failed to place a price tag on this provision of the bill. Is that because the government realizes that this measure is simply not enough of an incentive to businesses to modify their premises? Is there a smarter way, a more effective way, of encouraging businesses to modify their premises to provide access for disabled persons? I hope the committee will consider that.

There are then a number of technical issues which must be considered with regard to the impact of this bill upon disabled Canadians. But I want to be clear; it is not this bill per se which troubled me, indeed within its own narrow context this bill contains certain proposals which will prove of some value to some disabled Canadians.

What troubles me is that the government believes this bill addresses in a serious manner the range of problems facing disabled Canadians. What troubles me more is that other actions by the government negate many, many times over any of the positive benefits which this bill may provide.

As my party's spokesman for disabled persons, I was pleased to be able to arrange a series of hearings across Canada this summer with disabled individuals and with groups representing disabled persons. I want to thank my many colleagues in the Liberal caucus who took part in these meetings. We gleaned a large number of excellent suggestions. We heard from a host of people who have never previously had an opportunity to present their ideas to members of Parliament. We will use these ideas in the months ahead as we press for a fairer deal for disabled Canadians.

I only wish that every member of Parliament on the government side had the same opportunity because I am certain that they would reverse the unfair and unwise strategy which they have undertaken. They would see the foolishness in cutting back on health care for disabled persons. They would see the foolishness in cutting back on housing for disabled persons. They would see the foolishness in cutting back on rehabilitation services for disabled Canadians. They would see the foolishness in cutting back on training programs for disabled persons. They would see the foolishness in cutting back on job programs for disabled persons.

All that individual Canadians with disabilities are asking for is the same as the rest of us want. All that individual Canadians with disabilities are asking for is the opportunity to reach their maximum potential. Surely, as a society, that is what we want. Surely, in 1991, it is not too much for any Canadian to ask. I urge the government, I plead with the government, to give Canadians with disabilities that chance.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I want to participate in this debate because this is an important issue for Canadians. I cannot think of anything that is more important to most Canadians than income tax. I think in most kitchens and places where people gather this is the kind of matter they are talking about, perhaps more than the Constitution, perhaps more even than the popularity of the current Prime Minister. Every day now, people are getting concerned about taxes of different kinds.

I cannot think of a matter that requires more attention from my staff and myself as we try to respond to telephone calls and letters. People are becoming attuned to the tax system. People are asking me interesting questions about income tax, the goods and services tax, the provincial sales taxes, when they pay them and when they do not pay them, and they are beginning to understand some of the complexities of it all. They are beginning to understand how to buy muffins so that no tax is paid on them. They are beginning to go into stores and argue that maybe the banner in the store that says: "We absorb the GST", does not really do any good when they pay the provincial sales tax on top of the price of the goods and a so-called absorbed GST. People are beginning to have some sense of the nuances.

One of the things that disturbs me about this bill is that it is basically a continuation and an expansion of the nuances of the whole income tax system.

I think we should start with the name of the bill because I would defy any of the Ministers of the Crown and any of the half dozen or so members who are here this afternoon to be able to just kind of flip this one off your lips. It is just not possible to do that. Here is the size of the bill. Most towns in Canada do not have a phone book this size and this is not the whole package, this is a partial package. This is the beginning of the latest round of shuffling of the deck.

I think that Canadians, as a group, have a legitimate beef when they say this to people like me. They want to know why, when they sign a contract with the Canadian Tire store, with Woolco, with K-Mart and with any other business with whom they might come in contact, the laws of Canada, Ontario and most of our provinces say that when you draw up a sales agreement, the consumer has some rights and one of the rights is the very simple right of being able to understand what they are being charged and what the process is. If somebody came into a member's office and said: "Listen, I got this bill in the mail and it says I signed a contract. I tried to read this thing, but I do not understand it. Do I have to get a lawyer to interpret this contract?"

• (1620)

Most of us would say well, wait a minute, there is probably a law somewhere on the books provincially or federally which says the consumer has a right to a reasonable amount of knowledge and the obligation is on people in the private sector to explain in reasonable language the service they are providing. And so the day, supposedly, of being able to write up a contract that no one can understand except your lawyer and thereby disabusing the public in some way is long gone.

I defy anybody, any ordinary Canadian, to pick up an income tax form and tell me what the hell it is all about. It cannot be done. I am one of those who was pleased last year when a short form was put out, a short form that was intended to allow people to fill out their income tax a little faster and be a little more convenient for the public.

Well I got the short form. I have been reading short forms like this for about 30 years. I did not understand it. We had to have family conferences about what this short form meant. When we compared the short form to the longer form, we found out in our family that in order to get to use this shorter form, we had to forgo several privileges that had been previously extended to us in the income tax system.

Maybe we should put a stamp on the outside of the short form that says you can use this form, but it is going to cost you money. If you want to use the short form you have to pay more income tax this year. Danger. Warning. Just like on a pack of cigarettes. If you fill out this form it is going to be dangerous to your pocketbook. That would be fair for the consumer, but it did not say that. Instead it purported to be something that would simplify paying your taxes to the Government of Canada.

Reading through this bill is a challenge which I doubt most Canadians will take. As a matter of fact, I doubt that most members of this House will read it either. But if you read this bill, it is a confusing array of reality. It is kind of a bureaucrat's portrayal of what is going on here.

I want to read into the record just one section because I think some of this is pretty interesting. Subsection 28. Follow this if you can, and determine for me, Mr. Speaker, whether it is English, French or something else.

> Subsection 10 is applicable after June 17, 1987 except that that portion of the definition small business corporation in subsection 248(1) of the said act, preceding paragraph (a) thereof as enacted by subsection 10 shall, after June 17, 1987 and before September 14, 1988 be read as follows:

An hon. member: Would you repeat that?

Mr. Breaugh: What does it mean? In which of our official languages was that written? Is it conceivable that the Canadian public could understand that? I know that someone will explain to a poor soul like me that this is not meant to be read by the public, it is meant to be read by lawyers, it is meant to be read by tax accountants, it is meant to be read by bureaucrats.

Most of us who have been members for a little while can tell some little anecdote about someone who came to their office last week and you tried to explain, as I have done on several occasions now, why it is that the Government of Canada is suggesting to people that he or she really does not want to be married. You want to be divorced because if you get divorced, you fall into this definition of this regulation in this act, and therefore there is a financial advantage to you.

Surely that is not our business, and yet that is the way this bill is written, and that is the way most acts that have to do with income tax are written. It is the definition.

Try to explain to somebody who is trying to earn a living as a commercial fisherman why it is so difficult for them, and yet so attractive for someone who wants to set up a charter fishing company as a tax loss. That is a confusing thing to try to do, and it is a hurtful thing to try to do. Surely that was not the intention of the Income Tax Act in the first instance.

I am constantly reminded that income tax was supposedly a temporary tax. Hardly. If you go through the provisions that are in this bill, one almost despairs that there is any sense of fairness left in the approach to it all. I understand, as somebody who has been in politics for a little while, that the income tax provisions in a very broad sense are used as the levers of a government to encourage some things to happen, to discourage other things. Perhaps what needs to be done is at some point in time you need to take all of those incentives and kind of hive them off in some other way, because caught in the middle of this is the ordinary person who has the pay cheque. They are the poor, unfortunate souls who are the victims of this process. They are the ones that cannot afford to play the game, and so they do not have a great

many investments. They do not have any money left in their take home pay to do any investing.

They are the victims in the sense that they are dependent on other people to interpret simple tax forms so they can fulfil their obligations under the law. An interesting test would be, and I cannot think of a similar circumstance, to see how fair it would be if there were other laws that people just simply could not interpret, could not function on the signs of the law.

In the Highway Traffic Act, for example, if all the signs were posted in the jargon that income tax laws are written in, it would be interesting to see what would happen as everybody went up to the stop sign, ran out and had to get a lawyer to interpret whether the sign said stop or go, whether the light was green or red, to seek professional advice to follow the letter of the law. We all say that is nuts. In effect, that is exactly what this approach to income tax causes all Canadians to do.

I want to get back to something I said a little earlier about the bitterness out there about the process. I am not sure that Canadians ever want to understand this bill or the income tax process entirely. Most of them do not care. Quite frankly, that is not why they are living their lives. That is not the purpose that motivates them every day. It is something that is now beginning to impede them and they are beginning to become increasingly aware that they are victims in this process, that this is not designed to be a fair process. This is a process which mitigates against them and their families and prevents them from accomplishing very much in economic terms during their working lifetimes. They are now beginning to understand that at the end of their working lifetimes, it continues to work against them, it hits them when they retire and it hurts them where it hurts the most, in their pocketbooks. When they try to provide for themselves and their families, they know they are working in an income tax system that is written against their best interests.

It is also true that it is written in the best interests of a very small percentage of the population, those who have the ability to compete in this kind of a field, those who have the ability to hire the lawyers and use the tax accountants and to use them well and to use them every single day.

Most people I know who are in business now would probably count their tax advisers among the most important people in their whole business organization, not the people who actually make things, not the people who actually dream up things, not the people who are productive. The people who are critical to the operation very often turn out to be their tax advisers. That is the critical point on whether somebody can stay in business. That is the critical point on whether a product line can expand. Was that the intention? I do not think it was. I think that a long time ago we had a very different concept of what an income tax process was all about.

The bitterness in Canadian people is beginning to manifest itself in some rather unfortunate ways, and I do not think anybody would deny this. More and more people I know are consciously working to find a way out of the whole income tax process entirely.

This summer at my home in Oshawa, I had a string of people banging on my door offering me one price if I wanted to pay by cheque or by credit card, and quite a different price if I wanted to pay by cash. There was a little wink and a nudge attached to that. There was no doubt in my mind that what was going on here is that the guy who wanted to coat my driveway with some kind of sealant had figured it out to the extent that if there were paperwork involved, there was income tax involved. If the paperwork involved me putting some green money into his hand, there was no income tax involved and from his personal perspective that was better than running a legitimate business that might be taxed at some point in time.

I think Canadian people are beginning to sense that the system is wrong. It is not a fair system. It is not one which tries to differentiate between the rich and poor, except that the rich have an ability to utilize the system better than the poor. Caught in the middle are all those people who work for a living, all those who take home a pay cheque.

We had a little debate in here this morning. It was unfortunate, because I thought it was a good idea for a Private Members' Bill to say to seniors: "Here is an answer for you. It may be to your advantage to pay your income tax once a year, rather than quarterly". The government had no time for this kind of concern.

There are a lot of people who are now just beginning to think: "Wait a minute. If somebody else on my block can avoid paying income tax, how did they do that". Maybe if I had an ability to hang on to my tax money for most of the year instead of giving it to the government

earlier on in the year I could use my money to pay my debts instead of giving it to the federal government.

• (1630)

They are beginning to understand simple things like this: So what if there is a tax credit involved? So what if there is some kind of a rebate involved? First I have to pay the tax and then wait six months, eight months, nine months, twelve months, for some government agency to send me out a cheque. They are beginning to figure out that there is a disadvantage in that for them, that the cheque never seems to quite match their original expenditure and even if it does, they have to give somebody the money for a year and then wait to get it back.

That is not a fair system. The problem with all of this, aside from just the wrong-headedness of it all, is that this is an income tax system which cannot work in this country. I have heard other members say this before me so it is not a revelation and it is not a view which I alone hold. This is a tax system which is based on the simple notion that it is fair enough that the people will pay without having to do a whole lot of auditing or chasing after people. They will see it as a fair system, they will see it essentially as one in which they are paying their fair share. The moment people see it as something other than that, if they see it as a system which cheats them, they are going to try to cheat the system. They are going to try to cheat back. One can hardly blame them for that because they see examples of it all around them.

They see corporations which operate within the letter of the law, one should not be accusing the corporations of breaking laws here, with the advantage of having a resource of tax advisers who tell them how to work that law, who tell them how to delay the payment of taxes, who tell them how to avoid the payment of taxes, who tell them how to borrow money so they can write it down, and who tell them what to write off and what to not and to what extent.

When ordinary citizens take a look at that, they say "wait a minute, maybe I had better find some of this information out, maybe I had better start to use some of this information too". I believe that moment has already set in. I guess the basic thing is, to go back to something I stated originally, to ask the question of whether it would it be a reasonable thing, by any member's standards in here, if someone came to you and presented you with a contract in which people said, quite bluntly: "I don't understand this. I have to get somebody to interpret this government document for me." Is it reasonable to expect people to simply accept that? I do not believe it is. I think people have begun now to understand that this is an income tax process, however simple it might have been at the start, which has gone astray.

At the very least, it must be understood by the Canadian people, and it is not. At the very same time, it has to have some large measure of fairness involved in it. The people have to be able to say "Well, I don't like paying taxes either, but I understand we are all paying roughly the same kind of taxation." People certainly are not saying that. They certainly are not saying that.

As one goes through the provision of this bill, one can see the kind of traditional approach which basically says "we have identified a problem over here, and so we addressed the problem over there, and maybe that will solve it". We all have watched this process long enough to know that this is not going to work. It never has worked, it never will work, there is not even a chance that it is going to work.

In conclusion, I am not making a pitch for a flat tax or anything as simple as that, but I am making a pitch that in all fairness the people of Canada should be able to pick up a tax form that is put out by the Government of Canada and read it and understand it, and they cannot. There is something basically wrong with that. There is something basically wrong with the notion that my father, who was 91 years old when he died and had a grade seven education, paid somebody $50 every year to tell him that he did not owe the Government of Canada any income tax. He did that to his dying day. There are millions of Canadians in the same boat who cannot function within the system.

The process, I believe, is clearly wrong. The process seems to be almost impenetrable, there is almost no way that one can break through it. I notice that the ministers who are carrying this bill seem to kind of move around. Nobody wants to stay in the Chamber and defend the faith on this matter, with good reason. It is indefensible and it ought not to be.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I want to thank my colleague from Oshawa for his interesting dissertation. He touched on a couple of points that I know are of some consternation both to myself and many of the constituents I represent.

I think it is the current minister of national health who used to be the minister in charge of nuclear submarines who, when he was in opposition, was the revenue critic for the Conservative Party. He and his party in 1984 and again in 1988, but particularly in 1984, made a great to-do about a campaign to simplify the tax system. I wonder if the member for Oshawa remembers that and if he could perhaps comment a little further on what progress he thinks it may have made in a few ways, if there was any progress, in terms of simplifying that tax system.

Also I would like to comment for a moment and reinforce what my colleague said about the attitude, the Canadian culture, that used to exist that while nobody liked their taxes they paid them. There was some aggravation that perhaps they were paying a little bit more than their fair share, but as long as it was not too burdensome and they could see that their own economic situation was improving however slightly year by year, they were willing to put up with it. It seems to me as it does to my colleague that we are in danger of almost moving into the tax culture of the population in France where people have been making a career for years and years and years now out of tax avoidance. That is the total difference in the whole Canadian culture and attitude toward government, revenue and taxation over the last few years and a very unhealthy one.

My questions are: In what ways, if in any way, has this government since making its major promise to simplify the tax system gone about implementing that? What further comments does my colleague have on the changing tax culture among Canadians and how much more can they take?

Mr. Breaugh: Mr. Speaker, in answer to the first question, here is the answer to whether anybody is getting anywhere with the simple application of the Canadian tax system. This one would just choke a horse, and with good reason. This is the kind of legislation in which one minister comes into the House and reads a very succinct speech on why this is wonderful and then leaves and lets somebody else carry the can. This is indefensible.

I do not want to justify this, but in fairness I think we should acknowledge that the way modern governments operate would swallow anybody's conscience. It chokes them. Around them are people who advise them on things they can say and things they cannot say. Ministers of the Crown are rarely allowed in this place to actually say what they think. They say what is written and no more and no less.

It is that kind of controlling mechanism which is in part causing the problem. I regret that. I regret that people with good intentions in all political parties in my experience have tried to make changes. I think all of us who are practising politicians understand those changes must come. The tragedy is we have not managed to get that message across to those who are supposedly there to serve, to advise, and who have somehow become people who are there to control.

The second question is more disturbing. It is for me because I am of that generation of Canadians who have felt very good about this country and who felt that while I did not ever enjoy in my lifetime paying income tax, I always felt it was my obligation. I always felt there was some fairness somehow in the system that would work itself out and I am beginning to join the ranks of those who are bitter that they are the last ones left on the line so to speak, that they are there to be exploited in large measure by governments at all levels.

That is wrong and it is particularly wrong when I look around in my own community, and everyone of us here could do that, at people who are very well off who pay no income tax. That is a tragedy and I was reminded of that tragedy again in the last little while and this mindset still seems very strong in the Government of Canada. People at the bottom of the process, people who stand at the wickets and face the Canadian public, our civil servants, are expected to take a zero per cent wage increase this year. The government is in this House every day attempting as best it can to articulate why it is absolutely necessary that somebody else who already has a very nice salary needs a substantial bonus and how there is fairness in that.

• (1640)

Whatever the legal niceties of that argument might be, the Canadian public looks at that and says words that I am afraid are a little unparliamentary. They do not accept that argument any more. They have sufficient understanding of the process to know that they are the bitter recipients of an income tax system that is wrong.

While they are not exactly sticking their heads out the window, yelling that they are as mad as and are not going to take it any more, I would warrant that they are sitting down at the kitchen table explaining as a family unit how they are being victimized by this process and exploring as many ways as they can to avoid paying their fair share of the income tax. I do not know whether they will be as successful as most of our major corporations, but I will bet that they will give it a try.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have the opportunity to rise in this House to speak on Bill C-18, an act to put forward further amendments to the Income Tax Act.

A government's ability to mobilize the will of a nation is based upon trust. Nowhere is the lack of trust more evident in this country than in our current tax system.

The current tax system of Canada with its rules, regulations, exceptions and exceptions to exceptions goes on and on. There is absolutely no way the average person today can fill out his own tax form.

When I was preparing to speak on this bill today I was actually encouraged when I read from the news release from Revenue Canada dated May 24. I noticed the following in the second paragraph: "The fairness package is an important part of my continuing commitment to make the tax system simpler, easier and fairer". This was said by the Minister of National Revenue.

He went on in the third paragraph and talked about how the amendments that would benefit the individual taxpayers in matters such as penalties for late filed returns and interest charged on outstanding balances.

In addition, the fairness package will allow refunds for taxation years starting with 1985 and streamline the process by which individuals can make a formal objection to an assessment issued by the department.

When I read that I was encouraged. Then shortly behind it came Bill C-18. Just the amendments to Bill C-18 total 400 pages. Today I just took any page and pulled it open. It was page 220, I want to read one paragraph and ask any member of this House if they can honestly decipher it. It is clause 94, the relevant portion of subsection 118.6, and it is talking about qualifying the educational program. Here is how it reads:

> The description of A in subsection 118.9(1) of the said Act is repealed and the following substituted therefor.

This is the amendment, simpler, easier and fairer, and I read:

> A is the less of
>
> (a) $600, and
>
> (b) the total of all amounts each of which is an amount that the individual may deduct for the year under section 118.6 or an amount that the individual would have been entitled to deduct for the year under subsection 118.5(1) if the reference in paragraph (a) of that subsection to "the amount of any fees for his tuition paid in respect of the year to the educational institution" were read as a reference to "that portion of the individual's fees paid in respect of the year that may reasonably be considered to have been paid in respect of a qualifying educational program of an educational institution described in subparagraph (a)(i) of the definition "designated educational institution" in subsection 118.6(1)"; and

I am not a lawyer and I am not a tax accountant, but I would challenge any tax lawyer or even any tax accountant to tell me what that means.

I agree almost entirely with the hon. member for Oshawa. The current tax system in this country is a disincentive to national productivity. We have been sitting around this House now for many months talking about national productivity. The one instrument that we control in this House that can generate and motivate a positive attitude toward every man, woman and child in this country is the tax system.

Our tax system is so complex, so unfair, so inefficient and so unworkable that there is absolutely no way we have a chance to become a productive nation. The whole system is designed to be a disincentive to productivity.

If we want a mobilized and productive work force we have to treat them fairly. How can we possibly have a work force turned on to what their responsibilities are if they do not understand? Right now it is blind faith in our tax system. What do they read? We read day after day—and we know it to be true—that just two years ago there were close to 7,000 people in this country whose incomes were in excess of $250,000 a year and they paid absolutely no income tax. We heard from Statistics

Canada three years ago that there were 2,200 companies in Canada with retained earnings in excess of $25 million, excluding companies with losses carried forward. Those 2,200 did not pay any taxes at all.

It is not, by the way, that these people who made in excess of $250,000 and did not pay any tax or the companies that did not pay any tax were doing anything illegal. They are working with legal loopholes. These are laws that are written in to the Income Tax Act of Canada which they are naturally working at and they are doing their job.

What an absolute negative energy. Instead of promoting creative ideas on how we can expand our economy, how we can create more jobs, create more wealth, instead of that kind of a thought process, we have high priced chartered accountants and tax lawyers working with negative energy, legitimate ways to avoid tax.

This is no longer just happening in medium sized and larger corporations. The hon. member for Oshawa earlier today cited examples of people coming to his door and saying there is one price if you pay on a credit card or an invoice and there is another price if you pay cash. Now, because of the tax regime of this country, we have an underground economy that goes into the billions of dollars.

• (1650)

Those are not my words, those are the words of Professor W. E. Dewart from the University of British Columbia, who spent many years of his life analysing the underground economy in this country.

I believe that if we are serious about mobilizing the will of this nation, about galvanizing the will of this nation, about creating a productive work force, we have to start by taking dramatic steps to change the tax act for this country.

I have been working with a group of Canadians from coast to coast who believe it is time to do something radical. We believe it is time to come out with a simplified system, something that everyone understands, something that is simple, because from simplicity you can judge fairness, and when you have simplicity and you can judge a system to be fair, efficiencies pick up and this will cause us to become a nation that will ultimately create better products and services at better prices. This is how the tax act of this country is really a macroeconomic issue.

The hon. member for Oshawa talked earlier about the fact that people sit around in their kitchens or their living-rooms or their backyards, their gas stations or in restaurants and talk about the frustration of the GST, the paper burden of the GST, the complexity of the tax act, the inefficiency of the tax act. They count on us, not only to realize that and hear those words, but they count on us, the people of Canada to do something about it.

I believe the time is now to do something about it. I have been working hard with many other people to promote the idea of a single tax. You could do a single tax idea, Mr. Speaker, on a form that is no bigger than the size of a postcard. There were tax professionals from all over the country who have verified that this is a doable system.

What you basically do, Mr. Speaker, is you take your gross revenue, whether it is personal income or corporate income, whatever form you are working on, and after you take the personal tax credit, the senior's tax credit, child tax credit, charitable donations tax credit, RRSP credits, after you take all of those credits, at the bottom, 20 per cent. If we do that both on the corporate side and the personal side, we will have enough revenue to satisfy the social requirements of governments in this country.

When you have a simplified system which is about the size of a postcard, then people can judge fairness. When people feel they are being treated fairly, they are motivated. They advance. And when foreign investors look at a country and they see a motivated work force, that is when foreign capital moves in.

That is what we need in order to reduce interest rates, in order to put more money into the marketplace for entrepreneurs, to reduce the cost of mortgage rates, cars. Those are the things that expand an economy. When an economy is expanding, and there is a labour force that is working rather than unemployed, those are the things that put downward pressure on deficits and ultimately on the death of the country.

I believe that the only way we are going to get this country back on track is by radical reform of the Income Tax Act of Canada. I know there have been many people who say this idea is off the wall, it is not doable, it is not workable. We are at a crisis point in this country and it is time for the political leadership of this country to take bold measures. It is time for the political will of this country to listen to what is causing people to advance.

The current tax system right now is designed in a way that the harder we work the less we keep. If an entrepreneur in this country decides to work nights and evenings, the harder he or she works the less he or she keeps. It is absolutely upside down.

What is wrong if a person is an achiever, works hard and makes $200,000 or $300,000 a year? We should not have a system that takes nearly half of that. We should not have a system like that. We should not have a system where some of those people can hire very effective tax lawyers and pay absolutely nothing.

The unique thing about a single tax system is that it is an airtight system. Everyone will pay their fair share. No one is exempted. Everyone is in. Legitimate expenses are put on the table, but after that everyone pays their 20 per cent. That is the system.

The current system right now is a disincentive for foreign investment in this country. It is a disincentive to productivity. It does not reward the achievers.

I am happy to have had the opportunity to speak on Bill C-18. The spirit of this government was trying to make things better, but once again the bureaucracy of the Department of Finance wins the day. This bureaucracy in finance—and I realize that it has some of the finest minds in the country—has a self-perpetuating environment in that building.

Can we imagine trying to sell something like a single tax to the Department of Finance which if implemented would probably mean, after a couple of years, about two-thirds of the jobs would have to be reapplied to different departments?

An hon. member: Is it Liberal Party policy, a single tax?

Mr. Mills: The member asked: "Is it Liberal Party policy?" No, it is not Liberal Party policy, but it is just one simple idea that is being put forward to try to advance the debate on tax reform.

I will say, seeing as the hon. member asked me, that two weeks ago the Young Liberals of Canada passed it as a priority resolution. That is a beginning.

There are flaws in the single tax system. I know that there can be honest debate on whether or not the tax credits for seniors or the tax credits for children that I am putting forward are too generous. The point is that it is a constructive alternative to the existing system.

Are the members over there against simplicity? Are they against fairness over there? Are they against efficiency? There is not one of the members on the government side who is against those things, not a single member.

When we throw an idea over there—and they have always challenged us—why not take up the challenge? I should say the member for Mississauga South has put forward some concerns about the single tax, and some of his concerns are good concerns. At least it gets an honest debate on tax reform going.

Right now, with respect to the government members, they are all captive. I have worked on that side before. I know how tough this is. They are captive of the officials in the Department of Finance. Whenever they put something forward as a government that is simple and fair, senior officials try to find ways to knock it down. This town is a town that lives on paper. It lives on words.

I appreciate the opportunity to speak on Bill C-18. I continue to hope that there will be a groundswell of caring government members who will eventually challenge the cabinet of Canada, the Prime Minister of Canada, by saying it is not too late to take another fresh start at comprehensive tax reform.

• (1700)

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I have a couple of questions in particular for the Liberal member for Broadview—Greenwood. I would like to ask him to take his memory back a few years. I am sure he remembers, as someone who has studied the tax system, that at the end of World War II, the distribution of the tax system in Canada and the tax burden was approximately 75 per cent corporate tax and 25 per cent personal income tax.

By the end of the Trudeau government in 1984, that situation had totally reversed itself to where it was at that point 75 per cent personal and 15 per cent corporate.

I would like to know how that measures in with his concept of tax fairness.

The other thing is a little more recent, but it is still about 10 years ago. I am sure my colleague will recall the infamous MacEachen budget of 1981 or 1982, in which Allan J. professed at that time that it was his intent with that famous budget to plug loopholes. He did, in fact, plug a number of outrageous corporate loopholes in his proposed budget. At the same time, he also plugged a number of the very few loopholes available to ordinary working Canadians, especially those who worked in northern Canada, who used to get special housing benefits, special fly-in, fly-out benefits—not benefits, but exemptions from taxation for extra cost of living bonuses—in order to make sure they stayed in the north.

At the same time he was proposing to plug all these so-called loopholes, he said: "Well, seeing as we are plugging the corporate loopholes, we will lower the marginal tax rate". There was a chorus of opposition to that budget, because apparently there was no proper consultation. It was not well planned, which always struck me as very unlike the minister's lifetime habit. I had never known him not to plan anything out very carefully. But he lowered the marginal tax rate.

Then there was a chorus of opposition, and he then unplugged all the corporate loopholes again. As far as the loopholes for ordinary workers were concerned, he got rid of those, but he opened up the corporate loopholes. At the same time as he did that, he forgot to reinstate the former marginal tax rate.

What ended up after that entire budget was a taxation system grossly more unfair than that which existed at the beginning.

I am sure the member for Broadview—Greenwood has some recollections of Mr. MacEachen as well. Does he think that kind of action which was supported by the Liberal party, and is still part of the historical record of that party and its financial record of mismanagement in this country, could have really been an accident? Could that have been an accident and not just, instead, typical of the continuing Liberal record of foisting more and more of the tax burden on to ordinary, working Canadians.

Mr. Mills: Mr. Speaker, I thank the member for Kootenay West for his question.

On the first point he raised regarding the percentage for corporate income tax at the end of World War II being about 75 per cent, and personal income tax about 25 per cent, he is absolutely correct when he states it is a complete reversal today. It is approximately $49 billion in personal income taxes that go into the national treasury today, and about $11 billion from corporate tax. Of that $11 billion, about 80 per cent is made up of mostly small and medium-sized businesses.

I totally disagree with the system as it is today. That is why I am trying to change it and put forward a different approach. I dare to put something on the table which can be challenged and which is certainly less than perfect. It is a conceptual approach at this point, but it has been analysed by the social development model of Statistics Canada.

The main thing is that it is a doable system, in that it will generate the amount of revenue that the Government of Canada needs to meet its requirements. On that point we seem to be in agreement.

On the second point in terms of Mr. MacEachen's budget under my former boss, Mr. Trudeau, I was around at that time and I remember vividly the frustration, the anger that the country exhibited on that honest attempt by Mr. MacEachen to try and clean up the system. If I were to say one thing about what I learned from experiencing that exercise and what I have seen subsequently—I mentioned it in my speech earlier today and I am not against the Public Service so please do not take this out of context—it would be that it is very tough to move the officials in the Department of Finance when it comes to cleaning up the Income Tax Act of Canada. I do not think Mr. MacEachen, for whom I have the deepest respect, was tough enough. I do not think he was radical enough in simplifying and making the system more efficient. It was a great attempt but in the process of falling short you end up not advancing any more. That is the point I am making today. I believe that the days of tinkering with the system are over. It is time for a total radical approach.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I would just like to ask our colleague from Broadview—Greenwood—

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Mr. Speaker, I hesitate to rise on a point of order but it is a point I have made time and time again. The intention of this question and comment period in the minds of the people who were on the committee on parliamentary reform, i.e. the McGrath committee, was that it should be a period for questions to be put to the hon. members who just spoke on a priority basis by members of parties other than the one of the person who just spoke.

In the absence of people rising who belong to other parties, the recognition of people from the party of the person who just spoke is quite in order, but the intention is for members of other parties. I know this is not exactly provided for in the Standing Orders, but I think the spirit of the reform was that and I never hesitate to get up and remind speakers, deputy or otherwise, that is what is supposed to be happening; not these cosy little chats between members of the same party.

In the absence of other people rising that is fine but otherwise it is not.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I thank the hon. member from Winnipeg Transcona for his comment. The Chair does try, in the spirit of the rules, to recognize members from other parties so that a variety of views can be heard.

In this case, I had already given the floor to the hon. member for Kootenay West—Revelstoke and I admit that it may be simply because the hon. member for Gatineau—La Lièvre is closer to me—

[*English*]

So he can catch the eye of the Speaker easier than you. I note very carefully your remark.

Mr. Assad: Mr. Speaker, I had a very legitimate question that I wanted to ask my colleague. We did not have any kind of friendly chat. It was a simple question.

The president of the Canadian Federation of Independent Business is Mr. Bulloch, or at least I know he used to be the head of it. He probably still is. I know that he made some criticism concerning the single tax concept, and I would like to know what my colleague's answer is to the criticism by Mr. Bulloch.

• (1710)

I want to respond to the member for Winnipeg—Transcona by saying that I will give a short answer to my colleague and I would be more than happy to answer any question that he would put forward.

The current small business rate is approximately 10 per cent and the single tax rate at this point, we are talking about a totally integrated system 20 per cent, effectively doubles the rate from 10 to 20 per cent.

Mr. Bulloch puts forward a legitimate concern. Imagine a small businessman making a net profit of $50,000 or a net profit of $100,000 a year. The current rate would be 10 per cent. The rate I am proposing is 20, so that would be an extra $10,000.

Under the complex system that is put forward right now, that small businessman between accountants' fees, lawyers' fees, paper burdens, et cetera, more than pays a 10 per cent factor and it is all negative energy. That is just one answer.

The Acting Speaker (Mr. DeBlois): Your time is up unless the House gives unanimous consent. Resuming debate.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, Bill C-18 gives us a chance to raise a very important question and I think that the most important thing in a democracy is the way we tax ourselves. I say ourselves, because after all, this government represents the people, and we elect our representatives to reflect the views of all Canadians. However, over the years, we have developed a tax system that has become so complex and so incomprehensible that it takes lawyers specialized in tax law to find ways to save money for big corporations, the wealthy and the financial elite of this country. Look at how thick this volume is! More than 1,400 pages for personal income tax! And so complex it would take someone educated by the Jesuits, and then some, to understand what this is all about. And now, Mr. Speaker, the government wants to introduce amendments—400 pages worth to explain what was not in the document. That gives you some idea of the lack of simplicity and fairness in our tax system.

I imagine the average person and the members of this House realize there is something fundamentally wrong with our tax system. There must be a reason for all these feelings of frustration. The tax system has become so unfair and unjust that people spend a lot of effort, a lot of negative energy, to quote the hon. member to find ways to avoid paying taxes. Our tax system should be simplified to make it not only fair and equitable but also appear to be fair and equitable. However, as long as we have volumes this thick, it certainly does not look like a system that is simple, fair and equitable.

The hon. member mentioned that about ten years ago, a former Minister of Finance, Mr. MacEachen, tried to introduce tax reforms in this House. He was inspired by the findings of a royal commission, the Carter Commission, which was appointed between 1962 and 1963 and existed until 1967. Kenneth Carter, whom I consider a great Canadian, made a thorough study of our tax system and produced a document that was literally revolutionary. It contained some unprecedented elements for a democracy genuinely based on every single group in our society. Our Minister of Finance at the time tried to introduce some of these elements. The hon. member mentioned that this aroused a storm in Canada, but Mr. Speaker, it did not come from the middle class but from the big corporations and the financial community. They saw in this tax reform something that would benefit the middle class. Mr. Speaker, business people obviously take care of their businesses, and it is their business to save as much money as possible. You can hardly blame them. They are not doing anything illegal. In fact, they are well within the law. Here is the law: fourteen hundred pages worth, and another 400 pages of amendments.

Obviously, big companies and financiers can afford to call on lawyers, specialists and tax experts to find ways to pay as little tax as possible. Of course, if this class, the wealthiest in our society, does not pay its fair share, the burden falls on someone else: the middle class, the backbone of our society, indeed the backbone of democracy in all civilized countries. Nevertheless, we in the middle class have had unprecedented tax increases in recent years.

Mr. Speaker, I am not trying to say that our friends opposite, the government, the Conservative Party, are totally responsible for the tax increases. That is not what I am trying to say. I would like to be fair and equitable by saying that for years, governments have not really managed to find a fair and equitable system. That is the issue before us. They call it a reform, but we are not so gullible as to believe that it is one. What reform has been made in the tax system? Has it been simplified? On the contrary, it is more complex than ever. Does the middle class pay less? The people listening to me, Mr. Speaker, know very well that they pay more than their share. How can it be that millions of Canadians find themselves in a situation where the system has become unfair? Unfortunately, I find that our constituents, especially those in the middle class, cannot afford tax experts, specialists and lawyers to check their income tax returns to see if they are paying $200, $500, $1,000 or $1,500 too much.

In any case, they are too busy earning their living and working every They have other things to do and their purpose in life is not to find out how the tax system works. They take it for granted that those who sit in this House are working in their best interest, but it has been a failure on that score. It was a failure because we do not reflect the real values of our society for the middle class. Is it a great discovery to say that the middle class is the backbone of our society? Let us look at how they are treated.

Mr. Speaker, I was greatly influenced by a book written by Lynda McQuade on the tax system. In French, it is called *La part du lion* and in English, *Behind Closed Doors*. I found it extremely interesting because it showed that especially in the last twenty years, the financial elite and big companies have exerted pressure—and I am not saying that they have done anything wrong or illegal—they are looking after their business. They literally had the Department of Finance give them some tax breaks that are to their advantage. It is obvious that is what they did and she shows how it was done. People used to say that the rich don't pay. That's all very well, but if you can't prove it, what can you do? But in her book, she shows how the wealthy in our society were able to benefit under a tax system that was biased in their favour, and there are any number of examples. It's very complex, but it's all there.

• (1720)

In recent years, the middle class has started to realize that its tax burden has become intolerable. In the past few years, people have started to realize that we are becoming less and less rich. In other words, the middle class is having trouble maintaining the same standard of living it had in the past.

The sixties and the seventies were years of prosperity. The figures are there, and I am not going to quote *Global Economics* extensively, but this is an in-depht study which shows that during the sixties, a person earning an average wage could save up to 29 per cent of his net income, to spend on holidays or recreation.

In the seventies, this percentage dropped to around 17 per cent. Today, in the nineties, a member of the middle class who earns an average wage will save less than 1 per cent of his net income.

But what does it all mean? It means that we have to pay more than our share. Obviously, something has to be done.

Mr. Speaker, I was on an open-line show with the local host of a popular radio program, Alain Dexter, who has a wide audience and is very much aware of the way our tax system is biased against the middle class. He called me up and asked me to go on one of his shows to talk to his listeners. It was obvious from what people said that they were completely frustrated and, worst of all, they felt powerless. Although we represent the majority of Canadians and although they elect us, they feel powerless before a tax system that is biased against them.

However, what people must understand is that business people have done nothing unlawful. They take care of their businesses, and their business is to save money. Now that makes sense, doesn't it?

Our role, as middle-class Canadians, is to tell everyone who wants to represent us in this House that changes are required. This bill does not contain any. The middle class is taxed more than ever! What is needed is an in-depth review. We have an advantage over many countries in the world. We had a royal commission, the Carter Commission. We can draw inspiration from it to find ways to tax our people fairly and equitably. And once people will have realized that the fiscal system reflects the social values of integrity and justice, there will be no problem. There is no doubt in my mind that they will readily accept the fact that there is a deficit which has to be brought down.

I have to congratulate my colleague from Broadview—Greenwood, because everyone here knows how hard he has worked on his single tax concept. His efforts should be recognized. He sought the advice of experts in the field. One of our friends opposite said that there are flaws in his plan, Mr. Speaker. Undoubtedly, and he admitted it himself. However, it is far easier to correct flaws on 2 pages than on 2,000 pages. He made an effort and it was a good way to start the discussions on how to approach the subject. He may not have all the answers, but it is certainly a start because it is by discussing and by submitting ideas— I know that he is aware of the Carter Commission because that was a revolutionary document and he was here then, when the Minister of Finance of the time, Mr. MacEachen, wanted to implement the findings of that commission.

Nothing is easy. It is obvious that everyone wants to protect its own interests. As a former Secretary General to the United Nations once said: "There is no such thing as permanent friends, and there is no such thing as permanent enemies. The only thing that is permanent in this life are personal interests." It is obvious that everybody will fight for that!

But for us the middle class, as well as those who represent it here, our interest is to make sure that the people that we represent are treated in a just and fair manner. That, however, is not the case. They use words such as "reform", but there has not been any reform. And as long as I will have the honour and the privilege to represent the people of the riding of Gatineau—La Lièvre in this House, I will work and work and ask the residents in my riding and elsewhere to create a united front. You mau say that everything starts with a dream. The dream that I have is that, at a given time, great numbers of voters will approach all the members of this House to tell them that they are not convinced that this tax system is fair and that they want us the members of Parliament to get on with the task of making sure that it is indeed a fair system.

As I mentioned earlier, there is nothing more fundamental in our society than the tax system. We tax ourselves. If we are incapable of finding a solution, how can we succeed in motivating Canadians to work harder, to keep on paying taxes, and to realize that we live in a

great country, that we enjoy many benefits and that we want to protect them?

Mr. Speaker, what strikes me when I talk to people is their feeling of powerlessness. It really hurts me because the strength of our country is precisely its people. It hurts me to know that workers refuse to work overtime because they say that they pay too much in taxes. What does this mean, Mr. Speaker? They are convinced that they are paying too much in taxes, that is what they are saying. In fact, they feel that they are paying more than their fair share.

Therefore, I ask my voters that, together, we start saying everywhere what we think, and start saying that we are not pleased, that a reform is needed, and that as long as it is not implemented to bring fairness, there is no chance of keeping the social benefits that we enjoy now. We cannot expect the middle class to forever be the milk cow, because those people realize that there is less and less disposable income.

When I hear the Prime Minister say that the recession is over, I wonder since when it is over. We don't have any more money overnight. We have less and less disposable income; that does not change overnight. If the Prime Minister had really wanted to understand what the people go through, and especially the middle class, do you think that he would have imposed a 7 per cent tax just like that? Do you not think, Mr. Speaker, that it could have been imposed gradually, 1 per cent a year for five or six years or 2 per cent a year, to show that an all-out effort was being made to be understanding.

We saw the frustration with the GST. What more do we need to see the deep dissatisfaction in our society with our present system? I will conclude with that, Mr. Speaker. I am not saying that they are to blame for all the problems on earth and in this country—that is not what we are trying to say. But I am trying to say that their attempt is far from convincing and does not tackle the real problem facing our country.

• (1730)

Mr. Speaker, I would like the government to realize that in this House, we all have the same values to defend, regardless of the political parties represented here. We all have the same values to defend. But if we go on having the same frustrations with the tax system as in the past few months, if we are unable to see something that clear, what hope do we have for the next generation, which sees that a solution cannot be found for a problem that exists and is at the heart of our democracy?

[*English*]

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the hon. member says that we all hold to the same values. I think part of the problem is that we do not all hold to the same values. We have different values. That is why we have different political parties and this is a place where we debate which values will actually inform and instruct legislation, in this case the Income Tax Act.

Obviously there is quite a difference in the value system which the hon. member for Broadview—Greenwood employed in his idea of how the tax system should work and the value system which the hon. member for Ottawa South, speaking on behalf of the Liberal Party, brings to his discussion of the taxation system.

On the one hand, we have the hon. member for Broadview—Greenwood defending the idea of a flat tax, a single tax, which we know is particularly associated with him. He has been promoting it for a long time in a constructive way. That is fine, but it is confusing for the people of Canada who are trying to figure out what the Liberal Party stands for in terms of tax reform.

Perhaps the hon. member who just spoke could help us in this regard because, on the one hand, we have the hon. member for Broadview—Greenwood saying: "Everybody, no matter what they make should be taxed the same," and on the other hand, the member for Ottawa South complaining on the same day that one of the problems with the tax system we have now is that in the upper income bracket, everybody is taxed the same, whether you are making $60,000 or $600,000, you are taxed exactly the same.

What we have in the upper income bracket right now is exactly the policy that the member for Broadview—Greenwood is advocating. Yet his colleague, the member for Ottawa South is saying that this is one of the things that is wrong with the tax system.

Perhaps the hon. member who just spoke could explain to us how Liberal policy works. Perhaps he could shed

some light on the mystery that surrounds the making of Liberal policy, particularly with respect to tax reform.

It must be very confusing for members opposite and for members on this side to figure out just what is the status of the comments of the hon. member for Broadview—Greenwood. It is one thing to have constructive debate within a party. I am not against that, and I think we should see more of that. If that is all that there is to it, that is fine.

Perhaps he could tell us what the official Liberal position is with respect to the single tax.

Mr. Assad: Mr. Speaker, the hon. member has given us a good example of how complex the law is. He has even managed to confuse other people. We are not discussing policy, we are discussing ideas.

We would like to hear the hon. member's ideas on tax reform. We want to be sure that the tax system is fair and equitable. Is there anything simpler than that? That is what we would like to see. There have been attempts in the past when this particular party was in power to come up with elements that could have made it simpler and more equitable.

We never said it was perfect. We are just discussing ideas. The message that comes through loud and clear, as I mentioned before, is that the middle class in our society is paying more than its fair share. They feel it. They are becoming more and more outspoken, and I think that it is time that we addressed the whole problem. We are listening to all ideas. Our friend from Broadview—Greenwood brought up an idea, the single tax. It certainly has a lot of merit and has been discussed in many quarters, but it is one of the ideas that is probably going to bring us in time to what I hope to be a truly fair and equitable tax system and we certainly have not seen it yet.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, if the hon. member who spoke a few moments ago from the NDP is interested in what the Liberal Party is going to do, he should listen to the member for Gatineau who just spoke and read the writings of the hon. member for Broadview—Greenwood who has written so many papers, books, and everything. He spent days, nights, and months writing. The hon. member should read some of his writings and listen to the hon. member for Gatineau.

I want to ask a question in the form of a comment. Every time I have listened to the hon. member, and I have heard him over the years—I heard him in another assembly speaking about this subject of taxation as it relates to the middle class—he has always proposed in his speeches before today that the middle class must organize itself to become more effective in the political system *vis-à-vis* tax reform. Could the hon. member elaborate on that statement he has always made?

Mr. Assad: Mr. Speaker, that is probably the biggest task we have before us. There is so much information out there and it is so complex. You can imagine the average citizen when he sees volumes of this size. Nobody wants to be ridiculed. Can you imagine trying to wade through this and finding an answer?

Obviously we have to find a simpler way. That is what we have been hearing from our people and our electors who form the middle class. They do not want to go into it page by page and the bits behind it. They know they would be lost in no time and they could be ridiculed. Nobody likes to be ridiculed. But they understand one fundamental thing: they are paying more than their fair share. The odd time they read about people earning more than $100,000 or so and not paying any income tax. People having write-offs, multinational companies—there is no end to it.

How can they be indifferent? They are upset and as I mentioned they feel powerless. The middle class needs to get organized.

Obviously I have been in contact with different organizations. They are ready to take up the battle and I know that it is going to take time. In my area there are going to be more groups paying visits to candidates in the next federal election, and they are going to ask, not in 50 or 400 pages, it is going to be one page, how candidates feel about the tax system and where they stand on reform that will be fair and equitable to all Canadians, and that will not be easy to achieve.

In this political system when the different candidates see that the majority want an answer to a problem like that and they see that the electorate is concerned, we will get answers from the members who will be sitting here after that election.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the hon. member talks about people coming to members wanting to know where they stand. That is precisely what I want to know from him, where he stands with respect to a discrepancy between what the hon. member for Broad-

view—Greenwood had to say and what the hon. member for Ottawa South had to say and he gets up and tells me they are just talking about ideas, not policies.

First of all, maybe he could tell me the difference between an idea and a policy because it seems to me they are intimately related. Second, he could maybe give some answers on behalf of the Liberal Party. What is its policy or idea with respect, for instance, to the GST? Can he get up and say unequivocally that the Liberal Party will get rid of the GST if it comes into office? That is the kind of thing that people want to know from their political parties.

• (1740)

[*Translation*]

Mr. Assad: Mr. Speaker, that is an example of a member of this House who, instead of advancing the debate, is trying to find all sorts of "holes" and wondering what will happen if we give up something for something else. Is that really constructive? We are trying to find a complete answer.

An hon. member: He talks about values!

Mr. Assad: Mr. Speaker, we are trying to advance the debate. Of course, it would be easy for any opposition party to say that it would abolish this or that, as we saw in the past. We just want to point out that it is in the interest of most Canadians to have a thorough study of our tax system done. Saying that you will abolish the GST will not solve the problem. It will not solve the problem, which is much deeper than that!

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I too want to join in the debate on the changes to the income tax and other legislation. Later on I will be dealing with one of the proposals in the legislation, the northern tax allowance, and how that is introduced into this legislation.

First let me talk about the policy of the New Democratic Party with regard to taxation versus the policy of the two members who spoke before me on behalf of the Liberal Party. I listened to the two members speak. I tend to forget that they were the government for most of the time since World War II and that the discrepancies and the inherent discrimination that exists within our taxation system is not only as a result of the last seven years of Conservative rule, but is basically as a result of the taxation system that the Liberal Party of Canada put into place.

The present Leader of the Liberal Party, Mr. Chrétien, the former Leader of the Liberal Party, Mr. Turner, were both ministers of finance. When they were not members of Parliament they were both corporate lawyers sitting on various boards of directors. They received, as we all know, much of their campaign funds from corporations. We have to wonder how a Liberal member in this House can get up and say: "It is true that in 1949, about 75 per cent of the income tax came from corporations and only about 25 per cent came from individuals". Then the hon. member said: "Of course, that is changed now." It is true that individuals pay about three-quarters of the income tax and actually much more than three-quarters and yet corporations only pay the smaller percentage. He said: "It is true that of the percentage that is paid by corporations, it is the small businesses that are paying the lion's share of it, not the large profitable corporations".

An hon. member: Where are the New Democratic Party ideas?

Mr. Murphy: Mr. Speaker, take a look at what has happened in this country. We know there was that old line: Who pays more income tax, the bank clerk with the salary of $15,000 or $18,000 or $20,000 a year of the bank? And Canadians knew what the answer was. It was the bank clerk who paid more in income tax.

I find it ironic today that the Liberals have a speaker get up and say one thing, and another Liberal getting up and saying a different thing. That is so typical, because the members of the Liberal Party do not have a policy when they are in opposition. They have many different ideas, but they do not tell Canadians where they stand. Somehow they forget that their leaders, the present leader and the previous leader, were ministers of finance who helped to create the very system that is a problem today. There is example after example of how corporations have not paid their fair share of taxes.

Someone asked, where are the New Democratic Party ideas? We do not have to only quote from the policy papers that we have put forward in opposition to the GST, where all members of this House know we were the only party that gave specific examples of how we would raise taxes in this country as opposed to having the GST.

We gave examples and we had no fear about sending our report out to Canadians. Thousands of Canadians asked for that report and we sent it out. That was a party document, that was not the document of one individual. We explained our policy, whereas the Liberals as usual were ducking. That is what happened with the Liberals.

As I was pointing out, it is not a new idea. It is not new for the New Democratic Party to say that there are problems with the tax system. It is not new for us to say, as the Liberal member for Broadview—Greenwood is now saying, that the corporations are not paying their fair share of taxes. It was 19 years ago when our previous leader, the late David Lewis, wrote his book on corporate welfare bums *The Louder Voices*. The louder voices in our society had the ear of government. They had the ear of the elected representatives, again basically of the Liberal Party, but they also had the ear of the bureaucratic elite within our society.

In other words, the 1,400 pages that form the Income Tax Act today are a result of those louder voices. The 400 pages that we have in front of us as amendments to the legislation are again a result of those agencies within our society that have the louder voices.

As usual, scattered among that Income Tax Act and scattered among the 400 pages, there are a few good ideas that will help the disabled and that will help people in some northern communities. There are always some good ideas, some ideas that help the ordinary Canadian. However, by and large the changes in our taxation policy have not benefited ordinary Canadians.

It reminds me of the debate we had in the House of Commons earlier on the Public Service Alliance strike where it was said that people at the top would get zero and people at the bottom would get zero and that seemed fair. Then we found out that a whole bunch of other things were happening like bonuses and all sorts of performance pay so that the people at the top were still going to get more.

What has happened in our society is that the people at the top have always been getting more, whether we have a 0 per cent wage increase in place or whatever because there seems to be a different set of values, a different set of beliefs in how we should treat those at the top and how we should treat regular, ordinary Canadians. Somehow it has always been okay for corporations to have the three martini lunch and have that written off as a tax expenditure. Somehow it has always been okay for those in business to have a second family car and pretend it is a business car. It has always been okay for certain of their vacation costs to be covered by taxation. That seems to be an accepted belief within the government parties.

Governments have always written the taxation laws in such a way that a working Canadian on a regular salary is always going to be paying much more than his or her fair share of taxes, but those who run corporations, those who are at the top of the corporate ladder, those who are at the top of the government bureaucratic ladder, are going to have all sorts of benefits that are not taxed. That is a problem within the taxation system.

There are good ideas that can help alleviate that, but we have to understand that unless a political party is actually going to stand up and have its leader say that that is its policy it really means very little. It means very little when we know that the leader of the particular party has instigated a lot of the discrepancies and problems in our taxation system. It is very interesting to know that. It is very interesting to know that it is not just one, but it is a number of the Liberal leaders who have actually been behind the taxation system in this country at this time.

• (1750)

It is unfortunate that the Liberal Party does not have any ideas as a corporate whole and that it has to say: "We have somebody over here with a good idea on taxation and on human rights". That person over there might have some good ideas as a Liberal on human rights. That person speaks for the Liberals but he really does not speak for them on aboriginal affairs.

An hon. member: Oh, oh.

Mr. Murphy: The Liberals get upset when that is pointed out. I point that out, not only to criticize the Liberal Party, but because that is the exact problem we have with the present Prime Minister and the Conservative Party.

Remember the famous line of the hon. member for St. John's West: "If we told you what we would do, you would never vote for us". That was the Conservative line. They did not want to say what their policy was. They too had a strategy. Somebody over here would be saying: "We should have a simple income tax system". This is not a new idea. We used to have Conservative backbenchers giving the same suggestion, but it was never Conservative Party policy. It certainly was never taken up by the Conservative leadership.

There are problems in our taxation system. We do know that corporations are not paying their fair share of taxes and that we have created a system which is so complicated that it can never be fair.

It is ironic that we have had government after government, Minister of Finance after Minister of Finance getting up and saying: "I have proposals here which will make the taxation system simpler". Well, it ain't simple and it is not getting simpler.

Let me give an example, as it relates to the bill, of how complicated government has made taxation. When I was elected in 1979 there were certain benefits that people in the north received which were not taxed. Then as part of the MacEachen budget that was referred to earlier, it was decided to tax some of those benefits.

Then some people said: "Maybe that is not right". So all together we had three different years of moratorium on the taxation of northern benefits. That took us through the first six years of the period when I was elected.

Then the Conservatives came in and they decided they were going to have a northern tax allowance, but they would tax those things like housing, free travel to and from remote communities. They were going to have a northern tax allowance and that would resolve the problem.

Then two years later, after the government made that decision, the Minister of Finance came down with some new criteria which would take away 134 communities that used to receive northern benefits. While he was cutting these northern communities, he added communities to the northern tax allowance system that were bordering on the United States. I am not talking about the Yukon—Alaska border. I am talking about the border that comes around the 49th parallel. There was another system coming in from government.

A number of communities, including the communities of Thompson and Wabowden in my riding, were quite upset. They were not northern communities, but communities down south all of a sudden were northern communities.

The minister set up a task force with a mandate to come up with a northern benefit system that would be fair and would neither increase nor decrease revenue from the federal government. The commission went out and held hearings for a couple of years. Then after they had finished holding hearings the former Minister of Finance, now the Minister for International Trade, changed the guidelines for that committee. He said it was okay if it came down with a set of packages that may increase or may decrease revenue. Before it had hearings it was told to be basically revenue neutral. Then it had three years of hearings and the guidelines were changed so it could come down with a report which would in effect increase revenue.

That is exactly what the task force did. This task force came down in the fall of 1989 and recommended a procedure that would have created a situation whereby 2,740 communities would lose their benefit.

Obviously that created a bit of a problem for the government because a lot of those communities were in northern Tory ridings. A year later, they decided that idea was not a good one, so they have people coming to government and saying well, we want to change that, we want to change this. So the government came down last December and decided that we will not have one zone for northern tax benefits, we will have two zones. They drew a map and they had it presented and you know what? The idea in itself may have some benefit, but they drew these lines across the country. There is no appeal process, and some of the clauses in the legislation in front of us today basically enables this new process come into place.

Let me give an example of what has happened. Little Grand Rapids is a community in my constituency. It is hundreds of miles from any roads. It does not have a railway, it does not have ships. We are talking basically about a community where everything has to be flown in, or where you need to have winter roads. That is considered to be in the intermediate zone. In other

words, it does not receive a full northern tax benefit, but only a 50 per cent tax benefit.

Another community which does not have roads, which does not have any regular access, the community of Bloodvein, is not even considered. This community does not receive any northern tax allowance.

The bureaucrats in Finance came across with a good idea in terms of setting out two different criteria, recognizing that some of the communities should receive 100 per cent northern tax benefit and others should receive a lesser percentage; 50 per cent was the suggestion made here.

But they do not allow for the people to really explain what the situation is. How do you feel if you are in a community in northern Manitoba, northern B.C., northern Saskatchewan or northern Ontario. You do not have any roads, and you are told you are not in a northern community.

I have raised the issue of northern tax benefits more often in this House than any other member. I have had to do so for the last 12 years that I have been a member of Parliament. One of the problems is not the fact that there is a northern tax benefit. The problem is that no one is really listening to the people who live in those communities. That is a specific problem that I felt should be addressed with regard to the legislation.

I think that same problem exists with a lot of other clauses in the Income Tax Act. It always seems that the louder voices are listened to, that the corporations can make the Minister of Finance believe that the three-martini lunch is a reasonable tax write-off because that is necessary to promote business.

We know of all sorts of people who run around making sure they pretend to pay the bill at the end of every lunch so they can write it off as a tax expenditure.

Ordinary Canadians who have to go out and buy tools in order to practise their livelihood are told: "No, you cannot write that off as an expense. What do you need tools for? What do you mean you are a carpenter? You are a welder. Why do you have to buy this equipment?" It may be stipulated in your job description that you need this equipment, but you cannot write it off as a tax expenditure. Now, if that person could go out, he or she could probably quite successfully explain why she had to have three martinis for lunch and have that written off as a tax exemption, but not the tools they need for their trade.

It points out the real problem in our tax system, and that is, who is being listened to? Until we find a way to make sure that corporations pay their fair share of taxes, to make sure that expenses are really business related expenses, we are not going to have any fairness in our taxation system.

• (1800)

A single tax may sound attractive to many people, but that is not going to resolve any issues as long as corporations are in a position to declare certain things as regular reasonable business expenses that we know are not really business expenses.

That is the problem, there is no fairness in the system. There is no desire by this government or by previous governments to be fair in the taxation system. There is no policy by the Liberal Party to have a simple, fair taxation system. There is certainly no policy by this Conservative government that gives us a fair and simple taxation system. It goes against their corporate interests.

There is no doubt that there are many people in this society who do not want a fair tax system. It means that the very people on top of the ladder, those in charge of corporations, are going to have to pay more. They know that, and they do not want a fair taxation system. They will ensure that we do not have a fair taxation system in this country.

Unfortunately, as long as the Liberals and the Conservatives are beholden to the corporate elite in this society, they are not going to change the taxation system in this country.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened attentively to the member from the New Democratic Party for the last 20 minutes.

He talked about different ideas that we were trying to put forward in order to advance the debate on the tax condition in this country.

I noticed that not once did he put forward a specific idea of the New Democratic Party or, for that matter, from his own riding.

I campaigned in the last election against the New Democratic Party. If there is one thing that I noticed it is that people in Canada are fed up with listening to politicians who just oppose for the sake of opposing. They want to hear constructive ideas and alternatives.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

AIRLINE INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to be able to utilize the following few minutes available to me to revisit a question I asked on September 23, 1991 of the Minister of Transport with regard to the open skies negotiations with United States of America.

We all know the troubling times that the aviation industry is going through. There were some 3,000 people laid off last summer as you will no doubt recall between Air Canada and Canadian. A few weeks ago, there were another 2,300 people laid off between Air Canada, Canadian and Nationair.

The suggestion is that we ought to make the industry stronger, that we have to right the wrongs and we have to try to establish a strong foundation for a domestic airline industry. It seems to me that this government, going into the open skies negotiations, with suggestions that we are going to get cabotage, which is a fancy code word that says that any American carrier can travel freely across Canada to pick up passengers and drop them off at any point, and therefore compete openly with our domestic carriers.

That will not make an industry stronger, but in fact push not only Air Canada and Canadian probably to merge, but in a number of years, without sounding alarmist, I do not think we will speaking of a Canadian-owned, Canadian-controlled industry.

When this government gave us deregulation in the air, promised diversification and greater competition, meaning better prices for Canadians and meaning more competitiveness in the private sector.

What we have in essence is a duopoly. What happened to all the regional air carriers, the commuter services that were basically gobbled up by the two air carriers, Air Canada and Canadian. In the open skies negotiations, if we give the Americans *carte blanche* to do to Canadian and Air Canada what Air Canada and Canadian did, with all due respect, to the regional airlines, then I think the conclusion and the net result are quite predictable.

• (1805)

Therefore, I and other colleagues of this side of the House have been asking the government for a clear assurance, a clear commitment that in the open skies negotiations the Canadian negotiating side would not give in as our side gave in during the free trade talks to granting Americans cabotage rights. That is to say, we are in favour of trying to bring the agreement which has been last visited in 1974 up to speed. We are prepared to take a look at various parts of the industry. However, we are not prepared to completely deregulate the industry. We still wish to deregulate it and we still wish to protect our carriers in the face of the giant American carriers. We do not want to do in the air what this government has done to the truckers on the ground.

Therefore we ask the government for a clear undertaking that there will be no cabotage at the end of the negotiations. If there was a choice between cabotage and breaking off the negotiations, this side would be in favour of the latter in respect of our industry and the realities they are in. The minister did not want to answer in a clear concise way, and I am hopeful and am looking forward to the relatively new parliamentary secretary, who has had a fairly auspicious start, who has been fairly co-operative, to perhaps clarify the situation today for Canadians in favour of a Canadian domestic industry.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am glad that the hon. member opposite has given me an opportunity again to put the position of the government on the record.

The approach taken by Canada at the bilateral air negotiations with the United States takes into full

account the financial state and the needs of the Canadian airline industry.

At the exploratory rounds held to date, Canadian negotiators have repeatedly emphasized to the U.S. that any new agreement must include a phased approach to implementation and meaningful safeguards to provide conditions that will ensure the ongoing viability of the Canadian airline industry.

These negotiations have included a consultation process that is unprecedented in scope for bilateral air negotiations. The Canadian delegation at the negotiations includes representatives of the airlines, unions and communities. Their views are given full consideration in the Canadian negotiating position.

There is no intention on the part of Canada to give U.S. carriers access to Canada in a manner that would be to the detriment of the Canadian industry, as suggested by the opposition member.

The issue of cabotage has been greatly over-emphasized. Canada will not negotiate cabotage or any other right unless it represents a good deal for Canadian carriers and does not threaten their viability or the preservation of Canada's air transportation system.

As my hon. friend also knows, there are many other important issues to be taken into account such as fair and competitive access to U.S. airports and advantages for Canadian carriers to offset U.S. carrier strengths. All of these have to be addressed so that we end up with a good deal for Canadian carriers and for Canadian users of trans-border air services.

EMPLOYMENT

Mr. Jim Peterson (Willowdale): Mr. Speaker, on May 28 I rose in this House to ask the minister what he was going to do about the very serious unemployment that was accelerating and unemployment that was denuding our industries of their work forces and their ability to compete.

At that date in May, unemployment in Canada was at 10.5 per cent. Today unemployment has gone up, in spite of the fact that this government claims the recession is over. Unemployment is now at 10.6 per cent.

In my area of metropolitan Toronto, unemployment is at 10.8 per cent, above the national average. Toronto used to be the industrial heartland of Canada.

What is happening? This government's policies of giving us free trade and at the same time increasing the value of our dollar by 20 per cent, increasing our interest rates, increasing our tax levels, has driven businesses out of business. It has caused bankruptcies. Thirteen per cent of Canadian manufacturing jobs have been lost in Canada since free trade came in due to this government's economic mismanagement. Two hundred and sixty-one thousand manufacturing jobs have been lost. If this recession ends, many of those jobs will not come back. Sixty to seventy per cent of them are gone forever. The ones that were not just wiped off the map have moved south to the United States.

• (1810)

Why is this? It is because this government has been totally oblivious to the needs of our Canadian industries and what it takes to make our industries competitive and strong.

What is even more alarming is not just the number of jobs we have lost today, but ask anybody in this country who is putting up new industrial plants, who is building new factories. No one. They are just not there.

Is the mood turning around now that the recession is supposedly over? The Canadian Federation for Independent Business revealed in a survey that 36 per cent of small and medium-sized businesses in Ontario are considering moving out with a potential job loss of 500,000 jobs.

We see something that is happening at de Havilland, metro Toronto's biggest industrial employer; 4,200 workers today, announced layoffs of 1,300, plus a threat to close the plant. Will this government give us one firm commitment that it is prepared to stand behind de Havilland and its workers, a leading aerospace industry in the world, producer of the best commuter aircraft of its class in the world?

This government's economic mismanagement has not only driven jobs out of this country, it is continuing to drive those jobs out, and business has lost confidence in this government.

Dramatic measures are necessary and it means a complete reversal of this government's policies, not just

for my province, but right across this country, or otherwise this ruination, this deindustrialization and this transformation of Canada from a branch plant into a warehouse economy will continue.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on behalf of the Minister of Employment and Immigration, I wish to expand in greater detail on the questions of May 28 by the member for Willowdale.

As the hon. member will know, the world economy has experienced its worst slump since 1945. For the first time since 1945, the total production and income of all nations will decline. Canada, unfortunately, has not been immune from these events.

This government shares the concerns of all Canadians with the effects of the slowdown which has recently ended. This government is working to strengthen the Canadian economy and foster the recovery.

The government's policy of debt reduction and fiscal restraint is beginning to yield results. The Bank of Canada rate has fallen by 4 per cent in the last 16 months and is now at its lowest rate since February 1988.

As well, over-all output in the economy has recorded gains in the last four months and the composite leading indicators at Statistics Canada continued to strengthen in July, after three previous increases.

Through its policies of actively pursuing freer trade and harmonious international relations, the government is seeking to increase markets for Canadian goods. International competitiveness is strong in certain industries and workers will have to adapt to compete in international markets. Changes will have to be made and adjustments will occur as a result of a shift in global economy.

The government has recognized that some industries and workers will be negatively affected by this adaptation and it has responded by introducing numerous programs and services. This year alone, Employment and Immigration Canada has allocated more than $3 billion for training and employment assistance for workers, industries and communities.

In the hon. member's home province of Ontario, and the province of my colleague for Cambridge, Ontario, in 1991-92 Employment and Immigration Canada has earmarked $800 million for training and programs under the Canadian Jobs Strategy. These programs are all part of the labour force development strategy, a strategy designed to give workers and industry more direct say in how federal resources are used to address labour market problems.

• (1815)

This labour force development strategy is our government's long range plan for building a strong, highly skilled—

The Acting Speaker (Mr. DeBlois): Your time is up. The next speaker is the hon. member for Drummond.

[*Translation*]

TEXTILE AND GARMENT INDUSTRIES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I rise tonight as I did several times over the past year and for seven years now to look after the interests of the textile workers and industries in my riding and across Canada.

With the Uruguay Round in 1986, the ministers have embarked upon the most ambitious multilateral trade negotiations ever as well as the most complex and detailed to have been conducted to date. Normally, the Uruguay should have produced a new textile trade framework mechanism.

In fact, the Minister for External Trade described Canada's objectives in these terms on March 2, 1990: first, to strengthen the multilateral trading system while providing sufficient protection to national industries through fairer and more foreseeable competitive conditions at the international level; second, to ensure that, during the transition period, our industry is granted the same protection as our main trading partners, particularly the United States.

As we know, Mr. Speaker, the Multi-Fibre Arrangement, the MFA, which governs the international trade in textiles was renewed unchanged for 17 months on July 31, 1991, because the Uruguay Round did not turn out as planned in December 1990, in Brussels.

After examining the latest version of the text by the textile negotiations group, to be used as the basis for the new framework agreement, the textile industry has concluded that it does not meet those objectives.

A number of major changes are necessary, more specifically in the provisions relating to growth rate and competition restrictions. The transition must be very gradual, otherwise Canadian producers will suffer and be at a serious disadvantage, compared with their American

competitors, under the new system of international trade.

I urge the minister to instruct his officials to conclude an agreement that meets the stated objectives and to consider the objections expressed by the textile industry in its letter to the minister dated September 19, 1991.

Under free trade, both countries must have more or less the same external quota system, in other words, the same tariffs and quotas.

If American businesses enjoy better policies than Canadian businesses, it will be a strong incentive for the latter to invest in the United States.

Mr. Speaker, American manufacturers enjoy better protection than Canadian manufacturers. Almost all U.S. textile imports from developing countries are regulated by quotas and bilateral agreements.

The United States have quotas for imports of certain fabrics manufactured in Japan or Indonesia, while Canada does not. In Canada, only 11 per cent of textile imports are regulated by quotas.

Mr. Speaker, if Canada had always applied the same trade policies as the United States, it would not have been necessary to restructure production the way it has done. To become and remain competitive internationally, the textile sector needs external needs the same protection enjoyed by U.S. textile manufacturers.

As you know, Mr. Speaker, the last three years have not been very good for the industry. Its giant, Dominion Textiles, is still losing money. Manufacturers' investments and production capacity have dropped, mainly because of the recession, but also because of the uncertainly around the GATT talks and because of recommendations by the Canadian International Trade Tribunal, which favours a 26 per cent reduction in customs tariffs. The industry is also faced with an overvalued dollar and very high interest rates, as well as requests—

The Acting Speaker (Mr. DeBlois): I must interrupt the hon. member. The rules state that it is four minutes. Therefore, the Parliamentary Secretary to the Minister of Finance has the floor for two minutes.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, allow me first to congratulate the hon. member for Drummond who has done an extraordinary job as regards the textile issue, since he was elected in 1984. I think that his good work must be emphasized. The hon. member always expresses his opinions in a pragmatic fashion and in a way that is beneficial to the interests of the people in his riding.

• (1820)

Mr. Speaker, it is my pleasure to answer, on behalf of the government, the important question raised by the hon. member. I want to assure this House that the government works on several fronts to ensure the long term viability and competitiveness of the Canadian textile and garment industry.

For instance, during the present Uruguay Round of the multilateral trade negotiations, we work hard to obtain the gradual and progressive reintegration of the textile and garment trade under the GATT, over a transition period of ten years, so as to give the Canadian industry a reasonable chance to adapt to the new international trade environment.

We are also in the process of negotiating a new mechanism designed to protect our industry against sudden increases that could hurt the textile and garment exports during the transition period leading to the implementation of the normal GATT rules.

In the meantime, Mr. Speaker, we and our trade partners intend to approve the GATT protocol that will extend the Multi-Fibre Arrangement, which expired on July 31st 1991, to December 31st 1992. This will also have the effect of extending the existing bilateral agreements on the limitation of textile and garment imports until the conclusion of the Uruguay Round of negotiations. We expect that new transition rules will be implemented immediately thereafter.

In the context of North American free trade, the Canadian negotiators are in close consultation with our textile and our garment industries, to make sure that their interests are reflected in the Canadian position during the negotiations.

Finally, Mr. Speaker— Unfortunately, I once again—

The Acting Speaker (Mr. DeBlois): It is because the new rules for this period have become very strict and I cannot allow an exception for anybody.

Adjournment Debate

[*English*]

MULTICULTURALISM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, elaborating on my question of September 30, why do we need greater support for multiculturalism in Canada?

This past summer we witnessed acts of racial violence against black Canadians in Halifax and Montreal. Continuing injustices against native Canadians were documented in the Manitoba aboriginal justice inquiry.

Last week I reported on discrimination against persons of colour at Canadian border crossings. Today we read that the Solicitor General of Canada defends the use of ethnic crime data which is contrary to sound human rights practices and will increase racial stereotyping.

Employment equity is not enforced by the federal government and racial minorities do not have equal opportunities for employment and promotion.

While racism escalates and systemic discrimination continues, we have also heard a growing backlash against multiculturalism, particularly against the new Department of Multiculturalism and Citizenship.

The Spicer report illustrated a lack of public understanding of multiculturalism, although its recommendations for a review and for closer co-ordination with immigration and settlement were appropriate.

The Reform Party advocates discontinuation of multiculturalism altogether and funding of multicultural programs. Not to be out-reformed, the delegates to the Conservative Party convention voted unanimously to do away with the Department of Multiculturalism and all funding for multicultural organizations.

Tory resolutions called for the abandonment of multiculturalism in favour of a melting pot policy, restrictions on where new immigrants can live and restrictions on citizenship to require five years of residency.

Canadians deserve to know whether the Prime Minister and his government will follow these Conservative Party policy decisions. Will funding for programs to fight racism be cut? Will advocacy groups that speak for minorities be refused funds? Will obligations on the Multiculturalism Act be abandoned? Will employment equity for visible minorities continue to be ignored?

On September 30, in the absence of the Prime Minister, the Minister of Multiculturalism replied to my question, defending his department and in particular his priority of working to combat racism.

I appreciate his sincerity but must insist that to be effective multiculturalism policy must have strong support from the Prime Minister and cabinet to become a government priority. The early examples I have cited prove how far we have yet to go.

I also asked the minister to undertake a major public education program to promote a better understanding of multiculturalism.

• (1825)

I did not mean just the programs undertaken on March 21, the international day to counteract racism. We need a revision of Canadian history books to reflect accurately ethnic history. We need to enlist actively the support of the media which too often add to stereotyping and hysteria. We need thoughtful public discussions about the changing nature of Canada, our multicultural heritage, our appreciation of diversity, and our national commitment to protect minority rights.

As Canadians reconsider our future, we must have full participation of persons and groups from all ethnic origins. Multiculturalism is not just for ethnic minorities. It reflects the very nature of our citizenship and our national values. Recognition of this fact must be reflected in all aspects of government and in public policies.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Mr. Speaker, given the time available, I will try also to give my colleague as comprehensive an answer as possible. First of all I would like to stress that the hon. member for Vancouver is supporting the eradication of racial discrimination in Canada. I would like to point out to her that there is a big difference between the preliminary resolution, passed by delegates at the last Conservative convention and the actual policy of the government. Indeed, the constitutional proposals recent-

ly tabled in the House confirm the government's strong commitment to equal participation, common citizenship and national unity.

The federal government is determined to play a leading role in the eradication of racism and racial discrimination in this country. However, this is a task which it cannot carry out alone. We need the cooperation of all Canadians, all government organizations as well as the private sector if we want to achieve progress in eliminating barriers to equality and full participation in our society. That is the reason why, Mr. Speaker, last summer, following some incidents in Halifax and Montreal which increased racial tensions, the Minister of Multiculturalism and Citizenship set up in Nova Scotia an Advisory Committee on Race Relations.

This advisory committee, made up of representatives from all three government levels and the black community, had the mandate to come up with an action plan and make recommendations to fight racism. In thirty days, the advisory group was able to write a report which they presented to the Minister of Multiculturalism and Citizenship on September 11. That is an excellent example of what we can achieve by working together.

Mr. Speaker, Canada continues to act on the basic principles mentioned in the Canadian Multiculturalism Act. I would like to point out some of the initiatives taken so far, such as the creation of the Canadian Centre on Policing and Race Relation. That centre seeks to improve relations between the police and various cultural groups in Canada.

I would like to continue, Mr. Speaker, but I can see my time is up.

[*English*]

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, on October 25, I put a question to the Minister of State for Grains and Oilseeds concerning the financial disaster which is facing Canadian farmers. I pointed out to the minister that spontaneous rallies were being held across the country, from Lucknow, Ontario to Miami, Manitoba to Russell, Manitoba to Rosetown, Saskatchewan and right across the country.

I put this question to the minister: How much longer do farmers have to continue to rally? How much longer do they have to continue to lose their farms? How much longer do their families, their livelihood, their integrity as farmers in rural Canada have to be put under this kind of sledge-hammer action by the government before there will be action?

It was very interesting that when the minister replied he said: "You would think that the whole problem is the result of this government's policy". That is exactly the problem. The government provided very extensive support to farmers in 1987, 1988 and 1989.

We will recall that 1988 was an election year. What we are concerned about is the way the government dramatically chopped support last year. It cut support across this country to Canadian farmers by $1.3 billion, approximately $1 billion in western Canada and $300 million in eastern Canada.

• (1830)

At the same time that this government was chopping support to Canadian farmers, the value of their grain was dropping by some 30 per cent from roughly $135 a tonne for wheat to about $95 a tonne for wheat.

This spring the government brought in a new safety net program. Generally farm groups were saying they supported the safety net program with one proviso. Because of the government's cutback in support last year on the 1990 crop, they were asking that there be special, transitional support this past spring. In the west they talked in terms of $1 billion. In eastern Canada they talked in terms of $200 million.

What we have seen since that legislation was passed is a series of non-cash assistance. In fact, no cash significance of any amount has been provided since last spring. That is why we are seeing momentous rallies forming all over this country. This is why farmers tell us they are in the worst financial crisis in living memory, because of the price of wheat, because the government has welshed on its commitment to provide that emergency cash transitional assistance.

The most maddening part of it is that we hear all kinds of smoke screens as to why it is not doing this. It is consulting with the third line of defence. The Prime Minister threw out a tidbit last week in Winnipeg that he is considering it. He is asking for a recommendation.

The farmers have been asking, simple and plain, since last March and April: "There is a crisis on our hands. If you don't do something there is going to be a desperate situation". Canadian farmers are facing that desperate situation now. They want action by this government.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is an honour to be able to respond to the hon. member for Algoma. I want to say that this government has always supported our farmers and will support our farmers in this great nation of Canada. To have someone say that we have not is just not the case at all.

GRIP and NISA were developed at the request of producers to replace a system of *ad hoc* payments. That is what it was over the last few years, just *ad hoc* payments to deal with a situation that is not predictable. How can a farmer go to the bank with a program like that?

That is the reason the safety nets were put in place. They are bankable programs. Before you plant a crop you can go to your lending institution and get the support that is necessary to plant that crop.

Also, because of those safety net programs, over the next 12 months approximately $2 billion will be delivered to farmers through these programs. That assistance will be most helpful, I know. No matter what the hon. member for Algoma says, $2 billion is a lot of money. As someone said in the House today: "That is not chicken feed".

We know there continues to be hurt out there. There is no getting away from that. We are committed to doing the very best that we can to support our farmers through this very difficult time. The fact is that the government has been there for Canadian farmers, as I said before. As I said, our record of support for agriculture is unprecedented.

Just last Friday the Prime Minister met with farm leaders in Winnipeg to listen to their concerns but, more important, what the Prime Minister did at that time was he gave his commitment that further cash assistance would be forthcoming. The Minister of Agriculture and the Minister of State for Grains and Oilseeds will be reporting their findings and recommendations to the Prime Minister by the end of this week.

We will then be able to respond to the needs expressed by the farm leaders throughout Canada. That is part of the established program that is there to work with the farm leaders in this country to deliver the programs as are needed.

We will still continue to pursue our efforts through the GATT agreement and the negotiations that are taking place there. I just want to reinforce that this government does support our agricultural industry in this country.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Tuesday, October 8, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CORRECTIONS AND CONDITIONAL RELEASE ACT

MEASURE TO ENACT

Hon. Gerald S. Merrithew (for the Solicitor General of Canada) moved for leave to introduce Bill C-36, an act respecting corrections and the conditional release and detention of offenders and to establish the office of Correctional Investigator.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed carried.

Mr. Merrithew moves that this bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed carried.

Bill read the first time and ordered to be printed.

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. Scott Thorkelson (Edmonton--Strathcona) moved for leave to introduce Bill C-311, an act to amend the Criminal Code and the Parole Act.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed carried.

[*English*]

Mr. Thorkelson: Mr. Speaker, I would like to introduce this bill today.

This bill toughens up the parole provisions of the Parole Act. It provides for victim impact statements and says that sentences should be served consecutively.

This bill is in response to a meeting that the members of the Edmonton government caucus had with victims of Larry Takahashi last spring. We believe it will go a long way to meeting their concerns and the concerns of many other Canadians.

The Acting Speaker (Mr. DeBlois): Mr. Thorkelson moves that the bill be now read the first time and printed.

[*Translation*]

Pursuant to Standing Order 69(1), the motion is deemed carried.

Bill read the first time and ordered to be printed.

* * *

[*English*]

PETITIONS

NATIONAL UNITY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have here before me a petition on national unity from the citizens of Winnipeg, many of whom are from my constituency. It is in conformity with the rules and regulations governing such.

These petitioners point out that during the last several years there has been a great deal of work done on constitutional renewal. They point to the Citizens' Forum as another initiative and the joint Senate--House of Commons Committee on the process for amending the Constitution, the Beaudoin-Edwards constitutional committee.

The petitioners indicate as well that these have been supplemented and reinforced by several provincial and territorial studies. Of course they note that there is an initiative before the Canadian people today.

The petitioners call upon the leaders of each political party to work together to build a stronger, more united Canada for this and future generations.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): I have a second petition to present with your permission Mr. Speaker. This one is on education. It is in conformity with the rules and regulations of the House of Commons.

These petitioners point out that the government speaks of globalization, competitiveness, increased productivity, a stronger economic and social system to respond to the needs of Canadians, but at the same time it reduces transfer payments to provinces for education in a significant kind of way, almost a half billion dollars this year.

Of course they lament the fact that there have been increases on students when certain taxes such as the goods and services tax have been imposed. They are particularly angry at the 3 per cent tax on student loans, that one which affects those students who need to borrow, the one where they have to pay cash up front before they get the loan.

CANADA POST

Mr. Cid Samson (Timmins--Chapleau): Mr. Speaker, it is indeed a pleasure for me to rise, pursuant to Standing Order 36, to present this petition signed by a number of my constituents in Iroquois Falls, South Porcupine, Timmins and the other areas that I represent.

They are calling on the government to support our rural way of life, to stop the devastation and to stop the closing of our rural post offices as we know them today. They are asking that the government understand that there is a rural way and for these post offices to remain open.

CANADIAN BROADCASTING CORPORATION

Mr. Cid Samson (Timmins--Chapleau): While I am on my feet, Mr. Speaker, I also have two petitions to present signed by numerous Canadians from Cambridge, Foleyet, Timmins, Wawa and White River. They are asking that this government realize that the CBC is by far, in most cases, their only link with the rest of Canada.

They are asking that the services continue and that the funding remain in place. It not only keeps them linked with the rest of Canada, but it also represents some 1,200 job losses if this funding does not continue. They are asking the government to come to its senses and renew this funding.

[*Translation*]

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to table a petition from Abitibi, for residents of Malartic and Rivière-Héva. Whereas preventive withdrawal from the work force of pregnant women is a desirable and necessary option for working women, therefore your petitioners humbly pray and call upon Parliament to seriously consider the shortcomings of the Canada Labour Code during the review process and recognize the need for including in the Code certain clauses concerning the preventive withdrawal of pregnant women, with pay.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL PRODUCTS MARKETING ACT

MEASURE TO AMEND

Hon. Charles Mayer (for the Minister of Agriculture) moved that Bill C-16, an act to amend the Agricultural Products Marketing Act and to provide for other matters in relation thereto, be read a second time and referred to Legislative Committee D.

He said: Mr. Speaker, we have in front of us Bill C-16 at second reading, which is an act to amend the Agricultural Products Marketing Act.

We have had a significant amount of agricultural legislation in front of the House since we have been the government, since 1984, and we have done it pretty much in consultation with the industry.

• (1020)

This is another example where producer input has been important in bringing the amendments to us that we have here today. They do not in any way dramatically alter the Agricultural Products Marketing Act but are necessary to increase the responsiveness of the act to the industry's current needs.

The bill will confirm that wood and wood products are considered agricultural products under the Agricultural Products Marketing Act. This covers any wood product, be it pulpwood, hard or soft wood, or wood produced on a farmer's lot or by non-farmers. Since the 1960s the Department of Agriculture has considered wood to be included in the definition of an agricultural product. Because of this interpretation a number of orders were passed for wood and wood products, particularly from the province of Quebec.

It is interesting to note that in 1981 the Standing Joint Committee for the Scrutiny of Regulations suggested that wood is not an agricultural product as defined under the act. More recently the committee suggested that the act be amended to include wood and wood products clearly in the definition. Members can appreciate, therefore, the desirability of moving ahead with the amendments before us today. Previously approved wood orders might be challenged and declared *ultra vires* and new orders cannot be approved until these amendments are passed.

There are several benefits to producers associated with an effective wood marketing system from the perspective of farm woodlot operators. These benefits include, first of all, increased income and employment opportunities from the production of wood in addition to the traditional agricultural commodities on the farm; second, the potential for greater diversification through research into new products and processes; third, a more stable farm operation; and, fourth, some improved environmental controls with respect to shelter belt and water course control.

Non-farm wood producers also benefit from the improvements in services provided by the wood producers marketing boards, services such as improved marketing information and co-ordinated marketing.

To clarify the status of wood and wood products further, the bill will also confirm the validity of previously approved wood orders. Provincial boards and agencies have also asked that they be given the authority to recover unpaid levies through civil legal action. While the recovery of unpaid levies is not in any way a major problem at the present time, the boards and agencies noted that they have this authority when collecting levies under provincial jurisdiction and would like to have a parallel authority under the federal act. An amended clause to the bill gives them this authority.

I think this is a fairly straightforward amendment to a bill that has been in existence for a long time in this House. In conclusion, I would ask that members join with me in supporting these amendments which, just to reiterate, would include wood under the definition of an agricultural act as far as the Agricultural Products Marketing Act is concerned. Second, they would facilitate levy collection from producers within a marketing board. Third, they would confirm the role of this act in continuing to facilitate interprovincial and export trade.

These changes respond directly to the wishes of wood and other agricultural producers. They are another demonstration of our government's willingness to work with producers. They are very straightforward amendments. They simply respond to producers' needs and concerns over the way the present act operates. They also respond to what used to be called the stats and regs committee, statutory regulations. It is a joint committee. We think the amendments as far as the APMA is concerned will receive wide support in the House.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to say a few words about Bill C-16, respecting the Agricultural Products Marketing Act.

This act is really the basis for orderly marketing by provincial marketing agencies such as those which exist in provinces for poultry, dairy and many other commodities. It gives them the legal authority to produce commodities and have agencies which will have a marketing thrust beyond the borders of those provincial boundaries. It is very important legislation especially to provincial agencies, including the agencies which market food for Quebec farmers. Much of the production and marketing of wood goes through an agency and that is what this bill is all about this morning.

The statutory instruments and regulations committee back in the early 1980s called into question whether or not orders made under this act for the marketing of wood were legitimate or not. The then Minister of Agriculture, Mr. Whelan, was notified as to the validity of the federal government marketing orders which were made under this legislation as it affected the marketing of wood by Quebec producers.

The legislation which we have before us is really to legalize the wood marketing orders made as far back as 1983. In fact, the specific orders include Quebec wood orders made in 1981, an eastern township wood order, a Gatineau wood order, a Pontiac wood order, a Quebec south wood order. They were mentioned in a letter to the Hon. Eugene Whelan on October 12, 1983, and were signed by Senator John Godfrey who was the joint chairman of the regulatory and statutory instruments committee of the day and by Mr. Beatty who was the co-chair and by Mr. Kenneth Robinson who was the vice chair at that time.

This legislation is of a technical nature. It is designed to clarify the legal status of those marketing orders which were made many years ago. It also gives the marketing agency the power to collect under civil action from those producers who have not paid their levies. Apparently in the past there were fines levied by the courts but often the fines were often less than the wood orders that the unco-operating wood producer had failed to pay. It was really questionable how effective the fine would be if they failed to pay it.

As I understand it, this legislation will give the marketing agencies in Quebec the authority to collect those levies which are placed on the producers. It also has a provision which would make those existing orders retroactive and legalize those wood orders made right back to 1983.

This legislation is long overdue and should have been brought forward in 1984 or fairly soon after the problem arose in late 1983. However, the government has procrastinated for some six or seven years. We believe that the legislation should go forward and should be approved as soon as possible because it will make for a more legalized arrangement for those agencies as marketing agencies.

• (1030)

One of the great problems in agriculture today, perhaps the greatest problem, is the lack of orderly marketing. We do have it in some commodities, for instance, the Ontario Milk Marketing Agency and the milk marketing agencies, right across the country through the power of this legislation.

It is being called into question as to whether or not the government will be able to maintain that orderly marketing which has not only provided a stable farm income for those commodities which are marketed under the authority of the agencies in provincial jurisdictions but because of what is happening in negotiations at the General Agreement on Tariffs and Trade in Geneva this fall.

Certainly there is a great deal of concern. I met last Friday with the milk producers from Manitoulin and Sudbury districts, which are in my riding. They were expressing extreme concern about orderly marketing, whether the kind of orderly marketing which we had since 1965 in that commodity can and will be maintained. There are reports that the government may not be maintaining those international instruments of agreement to maintain that kind of orderly marketing. The same kind of orderly marketing that we seek for grains and oilseeds in the international realm is equally important in that realm.

Can we maintain an orderly marketing system wherever we have one as we have for supply managed commodities? Domestically we see stability, we see certainty, we see ongoing viability of that industry.

That is what we seek in our negotiations in the international field as well, because marketing that is chaotic, that is decided by powerful, international marketing cartels and companies is not to the benefit of the producers.

That is the greatest challenge I see both for us domestically and internationally this fall. It is to try to put in place regimes that will not see producers selling grain or oilseeds or whatever it is at half the cost of production.

Only by international agreements can we outlaw massive export subsidies or subsidy programs which are designed to drive the price down, push somebody out of the market, capture markets or to destroy producers. Not only is it destroying Canadian agriculture, but agriculture in other countries that are of comparable size such as Australia and other jurisdictions.

What we have in many realms domestically through our supply management system is an orderly marketing regime that provides producers with a reasonable return, provides consumers with a fair price, good supply and an opportunity for those agriculture producers to maintain and diversify activity, to be able to practise good conservation techniques, sustainable agriculture and concern for the environment.

That is what we seek in commodities like poultry, dairy, fruit and vegetables that we market domestically. We seek the same thing internationally. With respect to our grains and oilseeds, 80 per cent of them are marketed internationally.

I believe that is why so many Canadians are very concerned this year. They see producers facing destruction of their very viability, of their ability to produce basic foods that are needed both domestically and internationally.

The legislation before us this morning is really more of a technical nature. It legalizes the existing arrangements which have been provided over the years for marketing orders. In Quebec much of the wood production is by farmers through local wood marketing agencies and this legislation simply gives them the power, the legal authority for the arrangements they have had for many years. But it also puts those marketing agencies for wood on a more firm legal basis. It allows them to recover through the civil courts money from producers who fail to pay the levies that are provided under the marketing agencies, and it also legalizes those orders which have been made for many years, back to about 1981 or 1982 which have been called into question by the statutory instruments and regulations committee of the House.

We do not see any problem with this legislation. We wonder why the government has waited almost seven years to bring it in. We see it as a useful piece of legislation that should ultimately be adopted by this House and by the committee and added to the laws relating to the Agricultural Products Marketing Act.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I rise to speak to Bill C-16, an amendment to the Agricultural Products Marketing Act which has the effect of including wood in the definitions of agricultural products.

As has been said, this is a housekeeping amendment but it presents an important principle which is, I guess, the reason why the government has put it forward. That important principle is that all law in this country and all power to act, in this case in the marketing of agricultural products, is a general rule of the law under a parliamentary system that things cannot be done by the cabinet without the passage of a law in the House of Commons, and its eventual approval by all of the Parliament of Canada, both the House and the Senate.

That is essentially what is happening here today. The current law did not include wood specifically in its description of what were agricultural products or natural products under the Agricultural Products Marketing Act. One of our standing committees, as long ago as 1981, pointed out that there could be some dispute as to whether wood was or was not covered. This amendment specifically includes wood as one of the natural products covered by the Agricultural Products Marketing Act. This amendment puts it in compliance with some of the acts that exist in provinces, particularly in Quebec, where wood is described as one of the products.

I think this type of business should go through the House very quickly. The committee agreed in 1981 that there was a probable lack of specificity in the act as it existed then. The federal government and some of the provincial governments had already acted as if wood was, in fact, a natural product according to the Agricultural Products Marketing Act. So what we do here today will not change anything except the future possibility of a court case revolving around the fact that wood had not been specifically mentioned until this bill passes. It is a relatively minor thing in the day of the House. I would think it is the kind of thing that we would generally do in all stages and have done with but that is not the choice that has been made by the government. There is going to be part of a day spent on it now, some time in committee and more time later on, as it goes through third and final reading.

• (1040)

The sector that it is intended to address is the forest industry. The two provinces that have the most at stake in this particular piece of legislation are Quebec and New Brunswick which have organizations within their provinces formed under the Agricultural Products Marketing Act. Quebec has already been granted, I understand, the power to carry its program beyond the borders

of Quebec for wood products, and that has been the case for a lot of years. This simply makes certain that that is in fact legal and is a right that is granted from this House of Commons rather than only from the cabinet level.

The private woodlot sector in Quebec makes up 15 per cent of the territory of the harvestable commercial forest in that province but supplies 25 per cent of the province's softwood and pulp and paper products. It is an extremely important sector. To have the ability to market the product and promote the product through a marketing board is something of use to that province's producers.

About one-third of the people who are involved in the woodlot industry in Quebec are also farmers. Aside from the pulp and paper and sawmill products that are produced in those forests, maple syrup, essential oils, charcoal, Christmas trees and wood for heating also come from those privately owned forests. It is a relatively important sector of the agriculture and resource industry in that province.

As I said earlier, New Brunswick also has associations formed under its agricultural products marketing legislation. It has about 38,000 woodlot owners who sell some $90 million worth of pulp wood and saw logs on the slightly less than 2 million hectares of the province that are covered by woodlands.

The president of the New Brunswick Federation of Woodlot Owners points out that their province is in fact a net importer of wood, but they do export some to Maine and to Europe. They do not charge a levy at the moment on wood that is exported to Maine, but this legislation would make it possible and would make it legal for them to do so should they decide that that is the route to go.

The effect on the rest of the country is less clear because none of the other provinces have woodlot associations that are formed under the agricultural marketing legislation, although I am aware in my own province of a very active woodlot owners association which is attempting to encourage the production of wood on privately held land and on farms both as an environmental addition through fence lines and the provision of routes for wildlife to move and to live in.

It is also seen as useful in developing types of wood which will be useful for commercial purposes along with farming itself. While the trees can provide a wind break and a habitat for wildlife, they can also have commercial value as well. This is something that I think will become much more evident in the coming decade and in the next century where agriculture and the production of wood will begin to go hand in hand instead of the tradition in the pioneer era of agriculture where the trees were seen as the enemy and farmers worked as hard as they could to tear them down to open up land. So we are starting to see a companionship between agriculture and woodlot production which I think this legislation will permit to go on. As I say, it does not change any of the procedures that have occurred or will occur. It simply reinforces the fact that Parliament is supposed to pass legislation and grant the rights that previous cabinets had done and it corrects that anomaly in the system.

I am very supportive of us doing this and only question that we have to take so much time to do it.

Mr. Maurice Foster (Algoma): Mr. Speaker, I was hoping to be seen by the Chair.

I understand that the hon. member for Lambton--Middlesex is about to make a speech and I just wanted to compliment the hon. member from northern Saskatchewan, who obviously has had a great deal of experience with wood-cutting and woodlot operations in that area of the country, on his speech this morning. The information that he provided to us is really valuable.

I just wanted to make those brief remarks. I know that the hon. member for Lambton--Middlesex is also going to speak on this topic.

Hon. Ralph Ferguson (Lambton--Middlesex): Mr. Speaker, I am pleased to be able to take part in this debate today because it was about 40 years ago last fall when we first became involved in the orderly marketing process.

This legislation goes back further than that, of course. It was legislation that was passed by the Government of Canada to bring order out of chaos, chaos in the marketplace, chaos that was caused by forces putting pressures on those who depend on the marketplace for their livelihood, really pressure that is caused by lack of co-operation, perhaps by the primary producers

themselves, but also caused by a concentration at the level of the buyer.

It is only too clear that if a farmer takes a load of wood to town or a load of wheat, he has to take what is offered. He cannot really negotiate very much without taking that load of product back home.

This legislation, of course, is to transfer the power from the federal government to the provinces. This particular piece of legislation is really to give the powers to collect the levies and make certain orders and regulations at the provincial level.

This act has served the nation well over the years, but like any piece of legislation, if society changes the legislation has to be amended and changed to keep pace with the needs of various sectors of the economy.

In 1972 we passed the Farm Products Marketing Agencies Act to enable producers to set quotas or certain levels of production, to establish levies and to establish control over its interprovincial and export trade. Of course, under the provincial legislation, they already had the power at the provincial level to control movement intraprovincially within the province.

• (1050)

These two pieces of federal government legislation have provided Canadian farmers with the option to bring order out of chaos in the marketplace and as a result we have the most sophisticated marketing systems of any country in the world, particularly, in our poultry and dairy sectors.

We have the Canadian Dairy Commission and the corresponding provincial marketing boards that have already received a very, very high level of sophistication and stability in that total industry.

It is interesting to note that with the exception of the $267 million that goes toward the industrial milk sector, neither the poultry nor the dairy industry has received any government assistance since their incorporation.

In relation to these two sectors, I wish to tell this government that it would be sheer madness to even consider giving up these systems in the GATT negotiations. I ask the ministers in this House today specifically to dig in their heels and not to give into these economic terrorists who are seeking to destroy our Canadian system, which is one of the best in the world.

It is sheer economic terrorism when you see what is going on in the grain industry. I also ask the Minister of Grains and Oilseeds today to stand up, not only to the European Common Market people, but to dig in his heels and implement the provisions as laid out in the free trade agreement. Implement those provisions where it was agreed that we would not subsidize products in each others markets. Of course, under chapter XVIII of that agreement, we can ask for consultations and compensation. This should have been done immediately when we became aware of the export enhancement programs and how the Americans have been continuously violating this agreement.

I am pleased with the change in this bill today and I commend the government for bringing it in. I think it is a positive move. I hope that in the process that it will bring in other guidelines. I am particularly pleased that the ministry of forests is represented here today in the House because I believe this goes beyond just agriculture marketing. I realize, of course, that most farm woodlots are well cared for and harvested as the timber matures.

My son and I have a woodlot of about 80 acres on our farm. I am appalled at the damage done to woodlots during the mechanical harvesting procedures. I am completely appalled as well at the devastation caused by clear-cutting, which is mainly seen on Crown lands and not privately held woodlots. Woodlot owners in the province of Quebec are to be commended for the organization they have set up and for asking for legislation like this. I also think we should be examining some of the procedures and regulations, not as practised perhaps by these individual woodlot owners, but some of the commercial operators.

I am well aware that some of these owners of the small woodlots still use horses to minimize woodlot damage. I have used them myself in past years. On our own farm, my son and I designed and built a hydraulic drive winch skidder that mounts on the back of a small farm tractor. We did this after we saw the damage and devastation caused by some of the commercial skidders, damage that was avoidable if the equipment was used properly. But it was not used properly. The damage to younger saplings and regenerating growth will take years and years for Mother Nature to repair. It is because of this damage that I wish to ask if the Minister of Forestry will examine

a set of standards that should be adhered to on a national basis during the harvesting process.

For example, guidelines toward woodlot management will have to be done with the co-operation of the provincial authorities because the harvesting of those woodlots within a province will be within provincial jurisdiction. But I think at the national level we should perhaps set up a set of standards to adhere to.

I believe we should have a set of standards, for example, that would reflect the damage done by acid rain. On our own woodlot I see this damage. I see the tops of the maple trees dying. Certain trees will survive depending on the soil types, but certainly not the hard maple. I think we should be looking at ways to try to save those forests, to save those trees. In southern Ontario where I come from I believe less than 7 per cent of the land is forested, but I see the ongoing devastation that is being caused as these woodlots shrink in size.

We complain about the cutting of the rain forests in Brazil, but we have not been very good managers of our own resources here in Canada. I am particularly appalled that some of the woodlots in the north that took years and years and years to develop will be completely cut off in a matter of a few decades.

I think we should be looking at what is happening with acid rain. Perhaps we can neutralize its effect through the aerial spreading of limestone to counteract the acidity and bring it up to a seven on the scale. I believe that we have to look at it very seriously. A well-managed woodlot will subsidize farmers' incomes from their crops, which are at the worst level in terms of real dollars of this century.

This act, if amended and I hope it will be, should go a long way toward providing the owners with a reasonable return, not only for the years of investment toward the development of a woodlot but a return for labour, management and risk.

I am well aware of the need for environmental concerns. If those producers could collect levies, they could be used to enhance their marketing system. Some could be put away to be used to improve the woodlot, to plant new trees or to help with the regeneration process. That alone is well worth the effort.

I would further like to suggest that in the maple sugar industry we do have a surplus of products in some of the provinces that have been held by the government so they will not be allowed to go on to the market to create a surplus and undermine the price structure. Again, that is federal legislation which is being put to extremely good use to allow these people to take advantage of the price at the marketplace.

In summation, I am pleased that this legislation has been brought forward. I would ask that the government, under the Minister of Forestry, look at setting up a set of national standards in co-operation with the provinces. The woodlots across Canada could be brought under a uniform type of management. Certain standards could be set for the harvesting of those woodlots so we would not have the devastation or damage caused by mechanical harvesters and certainly acid rain could be looked at even though we know there is going to be a cutback. Some of those soils definitely have to be neutralized before the regeneration that is required will take place.

• (1100)

I believe that under this legislation part of these things can be accomplished if the producers get a proper return for their product. It is in this context that I support this legislation and hope for a speedy passage through this House.

Mr. Foster: Mr. Speaker, I did not really have a question for the hon. member for Lambton--Middlesex. I just wanted to comment. I think there have been suspicions around the House that there is agreement to deal with this bill in committee of the whole so I would suggest that we might be able to move toward committee of the whole now.

Mr. Cooper: Mr. Speaker, I can confirm that there have been discussions among the parties in the House and that we are prepared to complete the second reading stage now and then go into committee of the whole and complete third reading stage on this bill shortly thereafter.

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

Some hon. members: Agreed.

[*Translation*]

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. DeBlois in the chair.

The Assistant Deputy Chairman: The House in Committee of the Whole on Bill C-16, an Act to amend The Agricultural Products Marketing Act and to provide for other matters in relation thereto.

On clause 1—*Definition of "agricultural products"*

The Assistant Deputy Chairman: Shall clause 1 carry?

Some hon. members: Agreed.

Clause 1 agreed to.

The Assistant Deputy Chairman: Shall clause 2 carry?

On clause 2—*Debt due to board or agency*

[*English*]

Mr. Foster: Mr. Chairman, I thought in reading the amendments that we were making an amendment in the article immediately following section 1 of the act. Is the minister moving that or what is happening here?

Mr. Mayer: Mr. Chairman, I am not so sure I understand the hon. member's concern. If he could be a little more explicit it would help us in dealing with the matter.

Mr. Foster: Yes. I just did not catch the words, Mr. Chairman. Have you passed section 1.1 adding wood to the agriculture product?

Mr. Mayer: Yes.

[*Translation*]

The Assistant Deputy Chairman: Clause 1 includes both clause 1 and subsection 1.1 and has been agreed to.

[*English*]

On Clause 2—*Debt due to board or agency*

Mr. Maurice Foster (Algoma): Mr. Chairman, I would be interested to know from the minister and the officials if there have been occasions where the wood marketing agencies in Quebec have been unable to collect the levies which have been placed on producers because this legislation did not have the authority, and how many fines have been levied.

As I understand the background of this legislation, fines have been levied and collected in a court of law but they have not been able to collect the levies. I am just wondering how many times in the past 10 or 15 years since the agencies have been using the authority of this legislation that they have been unable to collect levies and how many times fines have been imposed where they were unable to collect levies.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): In direct response I am informed that there has been one case in Prince Edward Island. In general the legislation will provide the basis under which you can impose or collect the levies. If you cannot collect the levies, then you can go with fines.

The situation presently is that when there are no means of enforcement, there would be very few cases where anyone would proceed because there is no basis on which to proceed. Someone resisting the payment of levies would be on pretty solid ground and the agency trying to collect them would have no real legal foothold on which to pursue any action.

I think it is not so much a question of how many fines have been collected. It is a question of how many times there have been cases when people have wanted to proceed in which they had no basis to proceed. That is in effect what this legislation does.

Mr. Foster: In the background information provided by the government it was suggested that marketing agencies have been able to impose fines for not paying the levies but they have been unable to collect the levies because there was no legal authority.

I am surprised that there is only one case where they were not able to collect the levies because there was no legal authority. I just thought it would be an interesting matter, since we are going to the trouble of bringing in this legislation and the amendments to put wood under the Agricultural Products Marketing Act, as to just the number of occasions when they have not been able to collect the levies that have been imposed.

It is my understanding that even under this legislation they will not be able to necessarily collect the levy except through a civil action by the marketing agency against the individual producer who fails to pay his levy for the services provided by the marketing agency.

I would be interested to know if that is the way the minister and the officials understand the legislation.

• (1110)

Mr. Mayer: Mr. Chairman, as I interpret section 2, which we are on, levies are charges imposed by a board or agency pursuant to the authority granted to it under subsection (2) and constitute a due debt to the board or agency and may be sued for, and recovered by it, in any court of competent jurisdiction.

If I read the section correctly, I think that answers the hon. member's question.

With regard to the first question that he had, I am informed by officials that in the case in P.E.I., we were notified by an agency that it would have liked to have proceeded but did not feel that it could because of the lack of authority that we are granting, or making available, to people under the amendments.

Mr. Foster: Mr. Chairman, is the P.E.I. case the only one on record where they had wanted to collect levies and had been unable to do so because there was no apparent legal authority to do it?

Mr. Mayer: Mr. Chairman, that is the only one that we are aware of. There probably were several other cases in which I would suspect people would have liked to have proceeded but did not have the legal basis under which to proceed. It is a very difficult question to answer. It is almost like saying: "Would all those who are absent please indicate." I mean, if you are absent you cannot indicate. We do not know what in fact would have happened had this type of legislation been in place. So it is a very difficult question to respond to with any amount of clarity.

Mr. Vic Althouse (Mackenzie): Mr. Chairman, my question probably bridges both clause 2 and clause 3, which we still have not got to. It is because clause 3 in effect legalizes the practice that has gone on before and since there may or may not be cases where outstanding levies or outstanding fines are being pursued by one or another of the provincial marketing agencies before the court, can the minister or his officials tell us in particular what we can expect if there are outstanding cases now which may be coming before the court?

Does this in fact strengthen the hand of the marketing agency to pursue those or will it still be a legal defence for some of those producers or handlers of wood to say that this had not followed all of the legal procedures and did not have the authority of the Parliament of Canada behind the actions and, therefore, they were not responsible for carrying out some of the directives of the board as applied to movement of wood outside of the particular provincial jurisdiction?

Does clause 3 permit, under clause 2, the clear ability and authority to grant that authority retroactively? I think we are all agreed in this House that we should do this retroactively, though I am getting a little ahead of myself as this is part of clause 3. It is not a practice that we normally follow and I want to make sure that before we do follow it that we do not catch a number of cases in the legal system. If there are not any, or only one or two pending, perhaps they could be dealt with under the old procedures and we could make it clear cut. Otherwise, it makes for rather questionable law making if we are going to go backward in time quite a number of years and change all of the laws that apply. It is a precedent that I do not think the House is particularly eager to get into if there are any or very many outstanding cases before the courts now.

Mr. Mayer: Mr. Chairman, perhaps I can help. They really are two separate issues. Clause 2 applies to everything, not only wood, but to everything under the act. I believe there some 160 commodities named under the act. I can speak on clause 3 now or when we get to it. But clause 3 applies just to wood. We are just talking about actions that are presently under way. I am informed that there are two presently in process and two more pending. We are talking about a very limited number that would be referred to and covered under clause 3.

I agree with the hon. member's last comment. The last thing we want to get into is retroactivity. I think that is more than questionable law making, it is very bad law making. The two clauses are entirely separate, if that helps.

Mr. Althouse: Mr. Speaker, for clarity, the maximum we are aware of is that there might be as many as four cases that might get caught in the transition.

Mr. Mayer: Mr. Speaker, to confirm that number is accurate. Yes, four is the maximum we are aware of.

The Acting Speaker (Mr. DeBlois): Shall clause 2 carry?

Clause 2 agreed to.

The Acting Speaker (Mr. DeBlois): Shall clause 3 carry?

On Clause 3--*Deductions from receipts*

Mr. Maurice Foster (Algoma): Mr. Speaker, my questions with regard to clause 3 really relate to the whole question of retroactivity. I assume that we do not normally pass legislation in this House which is retroactive because it is obviously a very bad precedent to follow.

I know what the government is seeking to achieve here. Orders have been made and the stability of the industry is important. Clearly, when these agencies' orders were made back in 1983, or earlier, the government and the agencies thought they had the power to pass these marketing orders. However, the question is, if we are going back seven, eight or nine years, I wonder if the minister and his officials could have sought the legal advice of the law officers of the Crown as to the legal authority, or the legal precedents, to make retroactive legislation going back seven or eight years. The Regulatory and Statutory Instruments Committee struck down those orders to some extent, or called into question the legality of those orders, because it was not sure whether wood was a valid agriculture product.

The question now is, did the government seek the advice or a report by the law officers of the Crown? If it has, what does it say, and will it make it available to members of the committee this morning so that we will know we are not passing something here which is in violation of the advice of the Department of Justice?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I think the hon. member raises a good point. The information I have is that this is simply a validation of the delegation of authority that the Government of Canada did back in 1983. From discussions with officials, I am informed that legal people believe this is something that is useful as far as proceeding and seeing that we can bring into force, if those are the right words, the delegation that was granted back in 1983. This is something we would see as being in order.

With regard to a legal opinion, I do not know that we have that available. I do not know what the status would be. Whatever it is, we do not have it with us this morning in the House.

Mr. Foster: Mr. Speaker, I do not suppose the world is going to turn in one direction or another because the government failed to get that legal opinion from the law officers of the Crown. I would hope that the minister could provide assurances to the committee this morning that this was at least drafted and approved by the Department of Justice and, in the opinion of the Department of Justice, is a valid retroactive amendment to be making. Surely that is the least we can expect from the government. I am surprised that it would not have the legal opinion from the Department of Justice available for the committee's consideration this morning because it is very seldom that we pass legislation here which is retroactive for eight or ten or twelve years.

• (1120)

Mr. Mayer: Mr. Chairman, I do not think either one of us are lawyers and I am not sure we are using the right terms here, but we are really proceeding as a result of the Joint Committee of the House and the Senate on Statutory Regulations. We were advised by the Department of Justice that this was the proper way to proceed as far as validating the delegation that was granted back in 1983. Really that is why we are here. The delegation, when it was granted, had some concerns associated with it as outlined by the Joint Committee on Statutory Regulations and so what we are doing here is proceeding on the basis of legal advice that we have from the Department of Justice.

I am not so sure that in any way this should be looked at as being retroactive because this delegation of authority occurred, as I said, back in 1983 and there was concern that there was not the proper authority with that delegation to see that the delegation could be used.

So, to suggest, as the hon. member for Mackenzie did, and I agree with both of the members, Mr. Chairman, that this is retroactive, I am not so sure this is accurate. What we are doing simply, just to say it again, is providing the necessary parliamentary approval, authority I guess, to use and make valid a delegation that was given to the provinces back in 1983.

Mr. Foster: Mr. Chairman, time has passed, some seven or eight years, since this report of the statutory instruments and regulations committee. Could I ask the legal officials with the minister if there is a statute of limitations or anything that invalidates this amendment? Clearly this thing has been sitting on somebody's desk since October 12, 1983, when the statutory instruments committee recommended to the Minister of Agriculture that these amendments be brought in to validate these five or six wood orders. I am just wondering whether, with the passage of more than six years, one can retroactively take something back that far, whether it is legal regardless of the length of time going beyond the normal six-year period of the statute of limitations.

Mr. Mayer: Mr. Chairman, I am not aware of the joint committee saying anything about that. I am informed by officials that there has been no concern raised along these lines as far as any legal proceedings are concerned. I think we are just bringing parliamentary authority into line with the delegation that was granted back in 1983. If there is any problem we are not aware of it. I think very strongly that if there had been a concern there that the same committee that advised that it had a concern over this would have advised us to proceed in a different way to correct it. We are proceeding in precisely the way that it suggested as far as correcting it in this legislation.

Mr. Vic Althouse (Mackenzie): Mr. Chairman, this is not directly affecting this legislation, but I seem to recall when I was new here that corrections to various pieces of legislation as proposed by the committee on statutory instruments and regulations were often brought in as a sort of omnibus series of amendments. There would be one bill that might amend 15 or 20 different pieces of legislation, somewhat as the two that we have before us, except that they would have simply been listed as one bill.

I am wondering if there is a reason for dividing these amendments into specific legislation rather than to bring in a host of minor amendments, which a lot of these bills essentially are, in the interest of House time and making the corrections much quicker.

I recognize the problem of having this bill and another one that we are going to be doing later today sit waiting for parliamentary time. Perhaps he can comment on why they are no longer bunched together and why they are introduced as separate bills, recognizing that it can take a lot longer to get it through as separate bills.

Mr. Mayer: Mr. Speaker, the hon. member and myself were elected at the same time. We both came here in the 1979 general election. I know being in opposition and since being in government listening to the opposition, the previous government and ourselves have taken a fair amount of criticism for bringing in omnibus legislation that put a host of legislation in one bill.

Whether it was ourselves or the previous government, we were accused of trying to railroad certain things in because one bill was judged as being rather innocuous and another bill would have some consequences. The question then was: "Are you trying to force something through? It is an all or nothing situation".

I think in direct response to the member's question that the reason we are doing this is to provide a maximum opportunity for opposition parties to take a look at the legislation in isolation and raise concerns, so that we do not get a situation, as I said, where you have many different bills coming through as one and either you accept all of them or you do not get any of them.

I think just as a matter of principle that this is probably a better way to proceed. This is not taking a lot of House time and certainly gives everyone a chance to look specifically at one piece of legislation by itself.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I notice clause 3 refers to section 2 of the Agricultural Products Marketing Act. I wonder in view of the wording at the start of clause 3 if the minister envisions other orders and regulations that may be required by the people in the province of Quebec other than the imposition and collection of the levies themselves?

Mr. Mayer: Mr. Chairman, I am informed that if there are any we have not been notified and we are not aware of them. As far as we know, this is it.

[*Translation*]

The Assistant Deputy Chairman: Shall clause 3 carry?

Some hon. members: Agreed.

Clause 3 agreed to.

The Assistant Deputy Chairman: Shall the title carry?

Some hon. members: Agreed.

Title agreed to.

• (1130)

Bill reported, agreed to, read the third time and passed.

[*English*]

Mr. Cooper: On a point of order. Mr. Speaker, I believe you will find there is unanimous consent to amend the order that will now come before the House to send this bill to a legislative committee and that the unanimous consent would rather be to deal with it in Committee of the Whole immediately following second reading stage today.

Mr. Foster: Mr. Speaker, that is agreeable to our side.

Mr. Mayer: In view of the urgency of this measure, I would ask that it be referred not to the standing committee but to Committee of the Whole.

The Acting Speaker (Mr. DeBlois): Is that agreed?

Some hon. members: Agreed.

Motion agreed to.

* * *

CANADIAN WHEAT BOARD ACT

MEASURE TO AMEND

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)) moved that Bill C-23, an act to amend the Canadian Wheat Board Act, be read the second time and, by unanimous consent, referred to a Committee of the Whole.

He said: Mr. Speaker, again this is a rather straightforward bill. It is a technical bill. I do not intend to speak long on the bill, just perhaps a few introductory remarks and then some specifics on the bill.

As most people in the country will know, the Canadian Wheat Board is a Crown corporation that is over 50 years old. It is a well-run Crown corporation. It operates very independently of government and operates with a head office in Winnipeg with five commissioners that are appointed by the federal government but once appointed, operate very independently from government.

Over the years the commissioners have been responsible for the marketing of, first of all, wheat, then barley, then oats and latterly, just wheat and barley. They are the sole marketer of wheat and barley now in the international market, so that anything a barley or wheat producer in the designated area, which is basically western Canada, produces and wants to sell for export has to go through the Canadian Wheat Board.

Additionally, producers in the Wheat Board designated area that wish to sell for domestic human consumption also have to go through the Canadian Wheat Board. So the Canadian Wheat Board plays a very large role in the life of rural western Canada. It has over the years established a very good reputation as a selling agency. It regularly sells to some 60 countries around the world and, as I said, has developed a reputation second to none for being able to execute any contract or agreement it signs with a country or a customer. Their reputation as far as delivering on that agreement is very good. That has served us well over the years in terms of maintaining our market share even though prices have been very depressed.

There were concerns raised in 1989 and 1990 by the Auditor General as to the type of authority that the Canadian Wheat Board had from the Parliament of Canada for credit. As things have changed internationally, the use of the credit has become much more of a factor in international sales. Many countries offer concessional credit. By that I mean credit that is below prevailing rates of interest for long time periods at rates below commercial credit. The Wheat Board is not in the business of operating with concessional credit, but it has been able to make use of credit to increase its sales. As economic conditions have changed in the world, the use of credit has become much more of a factor.

There was a time when less than 10 per cent of the board's operations was based on credit. We are in a situation now where closer to 20 or 25 per cent of the board's operations is based on credit.

Bill C-23 simply provides for proper parliamentary authority with respect to its accounts receivable arising from credit grain sales that are approved by cabinet. This simply means that the Canadian Wheat Board as a Crown agency operates with guarantees from the Government of Canada. It has been doing this since 1972

when the minister of the day sent a letter of comfort to the board, in effect saying to the board that because we, the Government of Canada, have agreed with you, you can continue to sell on credit. We regularly established lines of credit for various countries around the world based on all kinds of things, but mostly the number of tonnes or the number of bushels a country is going to provide for us and our estimate of the need for credit.

Therefore, when we provided this credit the Auditor General was concerned that we did not have the proper parliamentary authority for the government and the Parliament of Canada to grant the credit to the Canadian Wheat Board that it needed to operate properly. Therefore, we are proposing to amend section 19 of the Wheat Board Act to provide proper parliamentary authority for the Wheat Board to use the credit it needs more and more to be able to sell.

Basically, it is a technical amendment. It means that the board will continue to operate in exactly the same way that it has in the past, except that we are responding to concerns raised by the Auditor General to put what he considers a better legal basis for that type of operation to continue.

The second amendment is under section 33 of the Canadian Wheat Board Act. I should explain that one of the main principles under which the Canadian Wheat Board operates is the use of a pooling or an averaging system. So, whether a producer sells at the beginning of a crop year, which is August 1, or he sells at the end, which is July 31, a 12-month period, a producer will receive the same price per bushel and the same price per tonne that he would have if he had sold at any other time during the year.

They do this on the basis of a pooling or an averaging system. When a producer takes a load of grain into an elevator and sells, for instance, on September 15 or October 8, he receives what is called an initial payment for that product. Throughout the crop year the Canadian Wheat Board then goes ahead and sells and takes all the prices it receives for the various products it sells to different countries, and you can understand that the price will vary over a 12-month period. At the end of the 12-month period, it does the arithmetic to arrive at an average price. As long as the average price for the product the producer has sold throughout the 12-month period is more than the initial payment, the producer receives a final payment. The final payments are usually available three or four months after the closing of the crop year.

Again the Auditor General was concerned that the Canadian Wheat Board did not have the proper legal basis, the proper parliamentary approval to go ahead and make final payments until, as the Auditor General said, payment had been received in full. Under this amendment to section 33, we are providing a legal basis for that to occur. I think everybody would agree that if you are going to provide a loan and it is guaranteed by the Government of Canada that once those moneys are advanced or borrowed by the Canadian Wheat Board, they should then be in a position to go ahead and make final payments even though the repayment of the moneys owing on sales that had been made in a previous crop year have not yet been received.

• (1140)

Just to summarize, we are providing better parliamentary authority for the Canadian Wheat Board to operate in two areas; first, as a result of a guarantee by the Government of Canada, the granting of credit to various countries and customers that the Canadian Wheat Board sells to; second, once that credit is granted, to provide whatis considered a better parliamentary authority for the Canadian Wheat Board to distribute funds to producers once the sale has been concluded.

This does not alter the way the Canadian Wheat Board operates with regard to any of its procedures, whether it is the pooling system or the way they sell or the way they deal with customers. It is simply responding to two concerns that the Auditor General raised in both 1989 and 1990 with regard to two sections of the Canadian Wheat Board Act, namely section 19 and section 33. That is what Bill C-23 does today.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have a chance to say a few words on Bill C-23.

The minister suggested that this is just a technical amendment. I guess anything that we do in this House is a technical amendment from the point of view that it is changing a clause or a word or a sentence in a bill, but clearly this matter that is before the House today was important enough that the Auditor General raised it both in his 1989 and 1990 reports. He pointed out that the Government of Canada had not sought parliamentary authority to guarantee $4.2 billion owing to the Canadian Wheat Board. If this is only a technical amendment, it is the largest technical amendment in

history when we look at the $4.2 billion owing to the Canadian Wheat Board and not having parliamentary authority.

It is a very important issue and certainly one that the Auditor General has picked up on two occasions. Clearly the necessity of passing this legislation is apparent.

I think most of us in this country are very supportive of the Canadian Wheat Board because it provides a great deal of stability in the way we market our grains in this country, especially in western Canada. There are similar wheat boards, not quite the same but of a similar nature, in Ontario and in some of the other provinces, but the granddaddy of them all, of course, is the Canadian Wheat Board which operates in the four western provinces and brings a great deal of stability to that industry.

Without the Canadian Wheat Board, I think our ability to compete in international grain markets would be sharply diminished. We not only have the expertise of this agency, which is able to move into all kinds of markets that individual producers would not have the opportunity to do, but it provides stability to the marketplace. Without it we would have four or five big grain companies carving up the market and seeing how they could drive down the price.

In this way the Canadian Wheat Board offers producers right across the prairies a stability which they, in my opinion, could never achieve. We only have to look at some of the grains and oilseeds which are not under the Wheat Board authority to see how they are able to carve up the markets to their advantage.

I think that whatever we can do to strengthen and support the Canadian Wheat Board is very important. Even though it is really a farmers' agency for the marketing of their grains, it is under the authority of the Minister of State for Grains and Oilseeds. I was pleased this morning to see him supporting the Canadian Wheat Board because he has not always been seen as a great supporter of it. Clearly when he took oats away from the authority of the Canadian Wheat Board he was seen as very unsupportive of the board, and I don't think farmers have benefited by the removal of oats from the board. It was seen as something to give away to those who are opposed to the Canadian Wheat Board after the 1988 general election.

The various grain producing associations or groups in the west who were opposed to it pressed the minister to give them something in return for the support that they gave him in the free trade debate and the general election of 1988. And so oats was removed from the authority of the Board, even though the Canadian Wheat Board Act itself really provides for wheat but barley has historically been under the authority of the board as has been oats.

This is a very important piece of legislation from the point of view that it gives legal authority to the Wheat Board to make sales internationally. We have never faced such a disaster in grain prices in history. Those of us who work in the field of agriculture in the House of Commons complain that regardless of how serious the disaster is, that seldom if ever is it carried on the national news. Certainly it is never carried to any extent in the major daily papers like *The Toronto Star*. However, the disaster in Canadian grain and oilseeds has been so intense this fall that we have seen a three-day period of full page coverage in *The Toronto Star* and major stories in other newspapers as well as major coverage on the national news. I guess we are glad to see this coverage from the point of view of agriculture being reported in the daily and national press. We are sorry to see it covered because of the magnitude of the calamity, the disaster facing this industry today.

I spoke earlier about the need for orderly marketing. That is what every agriculture group, certainly the producer groups, are seeking in the international realm today and that is what we hope will ultimately come out of the negotiations at the multilateral trade negotiations in Geneva this fall. If it does not, the disaster which is facing our producers will continue.

We have seen a quantum decline in the production of grain and the viability of the industry in countries like Argentina and Australia, and to some extent Canada faces the same kind of financial disaster because our exports are so large--some 80 per cent of our production goes into export sales--relative to the size of our urban society, and ultimately the resources of the country come from all sectors of society. Clearly the European Community with its 340 million people, the United States with its 250 million people, have more capacity per capita

to withstand the kind of international trading war that we have faced since 1985. The United States decided in their farm bill in 1985 that it was going to bludgeon the European Economic Community into submission and stop the export subsidies.

• (1150)

Unfortunately it has not succeeded. It has spent billions of dollars. This year the commitment is $900 million. Next year it will be $1.2 billion. God only knows how much the European Community has spent. In any event, that trade war goes on and on and on.

For farmers in Canada this year the initial price is the lowest in 16 years at $95 a tonne for No. 1 red spring wheat. It is less than half of what it was 10 years ago. Of course the cost of production has probably doubled in those 10 years, leaving farmers in the most desperate situation which we have seen in a lifetime.

That is why we see parades of tractors 30 miles long south of Lethbridge in Alberta on our televisions screens. That is why we saw mass rallies of farmers, 3,000 or 4,000 strong, last week at Rosetown, Saskatchewan, to protest the lack of action by the Government of Canada.

We do not know when the government is going to act. Clearly it must act soon. We thought the kind of proposal the government made last spring before the House of Commons would be carried through, that the government would provide a third line of defence. There were three mechanisms inculcated in the safety net system. One was the Gross Revenue Insurance Program which was to provide a guarantee to producers of gross revenue per acre, so that regardless of whether the world price for wheat went down or whether there was a drought and production was low, there would be a sort of gross revenue income mechanism.

Then there was a second provision, the NISA, the Net Income Stabilization Account. It was to allow farmers to put money into a stabilization account which was to be matched by the two senior levels of government to ensure stability over a long period of time based on some 2 per cent of their gross sales and allowing for additional contributions.

For 1991 the third element was the most important. That was the third line of defence, a mechanism to provide an injection of cash when the first two systems failed to function.

If there ever was an occasion when the third line of defence mechanism should have triggered, it was last spring. Producer group after producer group came before the agriculture committee that studied this bill and said: "We agree generally with the GRIP and NISA proposals, the first two lines of defence, but there is a problem. They are for the 1991–92 crop year. Our problem is the 1990–91 crop year, the crop that was grown last year".

Unfortunately 1990 was the year the United States export enhancement program provided the maximum amount of subsidy and drove world prices down well below $100 a tonne.

The exact figures are not known yet, but it is way below the cost of any reasonable production.

At the same that those world prices for grain and oilseed commodities were going through the floor boards, the government was reducing its support program in western Canada by $1 billion.

At the same time in eastern Canada they were reducing their support program by $300 million. Every grain and oilseed group that came before the agriculture committee said: "Look, we agree with those two first lines of defence for stabilization of our grain and oilseed economy. The problem is that the 1990 crop year has been such a disaster. There has been such a pulverizing of farm income that there must be a third line of defence".

This spring we want to see an immediate cash injection of assistance not only to cover the reduction in price of the grain, but to cover the reduction in support programs which the federal government unloaded on Canadian producers.

The government brought in a program called FSAM, Farmer Stabilization and Assistance Measures. Unfortunately, there is a very small amount of cash in that system and none of it has been delivered. It is a

mechanism to reduce premiums. Big deal. There never were any premiums on programs like the special grains measure. There never were any premiums on programs like drought assistance in 1989.

Those programs provided for crop cover programs but the actual cash is a very small portion. It is a kind of mixed up measure under the Net Income Stabilization Account program. The assistant deputy minister told us in the agriculture committee back in late August that they hope to have some cheques out by Christmas.

Christmas is far too late. We want the assistance now, we want it in cash and it must come.

We are really facing a very difficult time in the whole grain and oilseeds industry. The government has removed oats from the Canadian Wheat Board and the United States is bludgeoning us daily with the Export Enhancement Program. The Minister of Agriculture is quoted as saying he is going to take retaliatory action against the European Community by the end of this year if the subsidy war continues.

It is strange to me that no action has been taken against the United States. Although the Europeans are a major grain producer now, they were not in the 1950s. I still believe that the United States has a more profound influence on what the world price of grain will be.

I would hope that since the government has entered into a free trade agreement that it will take the same retaliatory action against the United States as it is taking against the EEC.

Clearly the biggest player on the block is the United States. The European Community is important but the same action should be taken against both governments.

The Canadian Wheat Board is playing an important part in distributing income fairly among the producers so that whenever a producer markets his grain, whether it is in the fall or the spring, if it is of similar quality and category it will receive the same benefit.

This legislation which is before us today will legitimize the credits which the federal government has provided in the past for those sales abroad which amount to billions and billions of dollars. We hope that the price of grain will soon rise so it will be even more billions of dollars and those producers will have an adequate return for their investment, their labour and their expertise.

• (1200)

The second part of course is that it provides for the funds to be paid off and the credit to be provided before the pool account can be closed and those payments of both principal and interest are made.

We support the bill. It is of a technical nature. It is one that is very important because obviously we seek markets around the world in eastern Europe, Poland and other areas, especially the Soviet republics. This legal authority for sales of grain will be important in the years ahead. It will provide an adequate and proper legal authority from Parliament to give credit to the Canadian Wheat Board for the excellent job it does of marketing our grain abroad.

Mr. Vic Althouse (Mackenzie): Mr. Chairman, I rise to support the amendment that is being proposed to the Canadian Wheat Board today which has the effect of correcting an anomaly that has existed. It puts into words and into law by authority of this House of Commons the authority of the Canadian Wheat board to make sales on credit, the contingent liability of which rests with the Government of Canada. In fact it does not change anything in terms of the operations of the Wheat Board. Since 1972 when the then minister Otto Lang sent a letter to the board authorizing them to make credit sales, it has done so. It has not shown those credit sales in any way as a liability to producer accounts. It has always assumed that the payments were made on time even when they were not because the Government of Canada, in the eyes of the Wheat Board and in the eyes of the farmers, had already committed itself to being liable for any shortfall or any inability of a borrowing country to make payments on time.

From the point of view of the Wheat Board the payments to the producers were made annually as if the sale had been completed and as if the account for the loan was up to date.

Not only did they consider that the loans were up to date but they also had to consider, for purposes of accounting, the surpluses that would accrue annually to the farmers which are paid out as a final payment.

They considered that interest due on the loans was also up to date and received and the Government of Canada made certain that the cash flow persisted and existed to make the Wheat Board accounts good so that

those final payment cheques would in fact be good cheques.

The only thing wrong with this process that has been going on almost 20 years according to the Auditor General is that the authority of the House is never asked for. Today with the amendments the government is putting before the House it is asking for the approval of the House for the Governor in Council, that is the cabinet, to in fact provide the loan guarantees that have been a fact of life in the conduct of international grain trade since 1972.

There are some questions of course that this raises. In 1972 there were no qualms anywhere about extending credit to purchasing countries. The world economy seemed to be going into an upward spin which is now sometimes described by some economists as an inflationary cycle. At any rate, in 1972 going into debt was not considered a problem by any of the borrowing countries which needed the food in any case and had very little choice except to feed their people.

That contingent liability has accumulated to the point where in the last Auditor General's report he pointed out that the government still had not received parliamentary approval for a guarantee of $4.2 billion which is owed to the Canadian Wheat Board to finance troubled foreign countries.

I was told by officials out in the hall today that that contingent liability accumulation is now in the neighbourhood of $4.6 billion. That is not necessarily in the form of bad accounts, it is simply in the form of loans that have been extended, and some of them are being kept up to date and some of them are not.

It raises some problem for all of us as parliamentarians because it is this body here that authorizes the expenditures of money and when we have a contingent liability, as we have in this case, Parliament does not, in my view, seem to have a very good way of handling this kind of authorization. All we can do on an annual basis is see a number in the budget which might be applied for possible bad loans or possible default and approve that on an annual basis.

We have no way that I am aware of that easily tells us as parliamentarians how much contingent liability we are backing as a country at the end of any one year. With a great deal of diligent research one might find it going through all of the agencies and departments and various commitments to foreign debt and foreign loans that the Government of Canada has made, but we really do not have an accumulative total that tells us as parliamentarians just where we are going.

I know that in good times none of us as private citizens or as people acting as representatives of private citizens really spent too much time worrying about the notes that we have co-signed or the contingent liabilities that we have taken on. But as the debt situation in the world and the apparent recession fills more and more countries, it is something that we would probably have to be aware of. That is one of the things that this particular legislation brings to mind in that we know and we realize in this House that it is absolutely vital that the Government of Canada stand behind the export trade credits that organizations like the Canadian Wheat Board incur. There are a number of other loans that we make through other agencies and through other departments which are vital to the continuance of the Canadian economy and to the ability of importing countries to buy our products. It has both commercial justification and human rights justification.

A lot of the countries that buy Canadian food, for instance, have to do it on the basis of long-term credit. They are not paying for the food when it is consumed. They are committing themselves to a long-term debt to pay for the food that has been consumed in the year that it was imported. There is really no choice for those countries except to import food other than to watch their population starve.

As I say, it has basic human rights. Questions have to be answered with this question of contingent liability and loans. We also as parliamentarians are responsible for the money that taxpayers expend and those taxpayers expect us as their representatives to have a handle on how much of these commitments we have been making and to have a handle on how we expect to handle the situation if foreign governments and foreign customers are unable to make the payments. The whole system of these loans and the trade that is incurred by credit sales makes some assumptions about the viability of the international monetary system, the kinds of guarantees that each country provides to each other to make sure that their currency is still sound and that their credit is still good.

• (1210)

As I said earlier in my remarks, this whole system is becoming a little more fragile as the recession sinks in, as countries whose economies appear to be going through a vast disruption, countries such as those in central and eastern Europe, but also countries in Africa that have been going through drought, famine and civil war and the apparent collapse of their social, economic and political structure. When all is said and done, these countries do need our food.

It is in the best interests of the country for this Parliament to grant the authority that we all thought was in place over the last 19 years to back the loans and guarantee the loans that the Canadian Wheat Board makes to finalize sales to countries which need food and our products but do not have the immediate cash, and that this continue.

The farmers of this country recognize that this is of assistance to their efforts to produce food for hungry people and to facilitate the movement of that food from their farms to the mouths of those hungry people. I believe it will generally be applauded. As I have said, as parliamentarians we also have to find a better way of handling the whole question of contingent liability because we do have concerns and responsibilities to our taxpayers for not only the accumulated debt of the country which seems to be fairly clear cut—we can count that, it is now over $400 billion—but we have no immediate way, without a great deal of research, to find the accumulated contingent liabilities of all the departments and all the commitments we have made through agencies on behalf of ourselves as the Government of Canada.

I simply wanted to point that out as a question that has to be answered for backbenchers and ministers as well if this Parliament is going to continue with its function of approving all of the expenditures and all the commitments the executive branch makes on our behalf.

I applaud the government for bringing this legislation to the House and requesting approval to grant cabinet the authority to make these loans, which it has been making over the last 19 years.

I am pleased that with the passage of this legislation we will have followed the proper procedure of going to Parliament before the expenditure of money takes place.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, with regard to the two points the hon. member was making at the end, if he wants to look at page 48 of the last annual report of the Canadian Wheat Board, he will see that there is a number shown there about one third of the way down the page that shows $4.625 billion. It says: "See note 2." That in effect is a listing of the contingent liability of the Canadian Wheat Board.

In the case of this Crown corporation it does not take a lot of work to dig this out because it regularly publishes it. He will also note that the year previous it was $3.7 billion. So, it is shown very clearly as a continent liability. Nobody is trying to disguise anything. It is there for full public disclosure.

Second just to make the point, and I will just speak for the board, when the Canadian Wheat Board makes a grain sale to a country and the country signs the guarantee, it is considered sovereign debt and ultimately collectable or repayable. That is the position that we take as a government and that is consistent, as I understand it, with accounting procedures. Now, there have been cases in the past where there has been rescheduling through an agreement, the Paris Club is an example, where some of this debt has been set aside. That is by general agreement of all the countries involved and one has to deal with whatever is going to be rescheduled or set aside at that time.

Just to make two points: The contingent liability for the Canadian Wheat Board is shown and published in every annual report. The loans that the board makes are to other sovereign countries and are therefore ultimately repayable. So if anything changes, then that has to be reflected in the way the Government of Canada keeps its books.

Mr. Althouse: I do not think anything I said contravened the information that the minister re-entered on the table. The point that I had been very much aware of, and in fact I used some of the figures from the Wheat Board's annual report, was that it provides accurate figures on the contingent liability of the Government of Canada, as do most of the other agencies. It is just that when we come to passing budgets in this House, private members of Parliament are generally not confronted through the budget documents with the accumulated contingent liabilities from all of the various agencies and

departments that have accrued over the intervening years. We do have a final figure for the national debt, we do have final figures for a whole host of things, but we generally don't get a list of the accumulated contingent liabilities from all of the various nations with which we deal. I reiterate from my speech, this has generally not been of any concern to anyone because all of the countries of the world had, until very recently, been considered not to be having any great difficulty as sovereign nations meeting their debts and obligations.

That is changing, however, with the onset of this last recession or depression and will probably require some consideration from this House, and from the Ministry of Finance, as to how to present those contingent liabilities for the approval of this Chamber in the coming years. The situation is changing and not all of those loans and liabilities are going to be repaid on time. We are still presuming that all of those sovereign nations will still exist and that the debt will be recognized and honoured, but that changes over time as well.

We may in fact find ourselves having to write off some of them, although I think that the debts which have accrued through the sale of Wheat Board grains, wheat, oats and barley until recently--now it is just wheat and barley--have been made with due appreciation of the ability of the debtor to repay the debt.

Mr. Joseph Volpe (Eglinton--Lawrence): Mr. Speaker, as you know, Eglinton--Lawrence is not in the farming community but I felt I had to intervene in this debate. I have been impressed by the fact that the debate has been so gentlemanly, with all due deference to the female members in this House, that there has been a tone of courtesy and deference from one side to the other, and you know, Mr. Speaker, I really cannot understand it.

We are talking about a bill that has enormous consequence for one of the major resource industries of this country, for one of the major social components of the fabric of this nation, a fabric that is being torn apart by international affairs, international conditions, and by our own domestic problems. And everybody is very polite. The minister says we are only dealing with a technical change. The tone is muted. Attention is vivid. We have members on both sides talking about relativity of some problems from one sector to another, as if this were an academic exercise.

• (1220)

About the only thing that I heard that was of significance is what my hon. colleague who just finished speaking said about members of Parliament in this House being responsible for expenditures from this Parliament and this government.

He is right because we are responsible for every cent that we spend. There is not one cent that is better spent than those that we spend on our own citizens, whether we do it through ensuring credit sales or whether we do it in outright relief.

At this moment in Canada in the agricultural community, farmers require assistance by this government. We have the highest quality of wheat and grains in the world. Bar none, bar none. We are very efficient in the way that we produce those products and yet we have no sales.

We have an anomaly. We have farmers with bins full and cupboards bare and we are talking about a technical amendment to the bill. We should be talking about what is happening world wide in the agricultural community. In Saskatchewan, 4,000 farmers felt that their livelihood was in such jeopardy that they had to abandon all that they normally do at this time of year and protest their conditions. We in this House and those who are in a position to make a decision should make one that is favourable to the fabric of Canada and the livelihood of the farming community. We should stand up and take notice.

We are polite. Our tone is muted. We are talking about jobs. We are talking about livelihood and a way of life. We are talking about a farming community that is slowly but surely being eroded before our very eyes. We are talking about families who can no longer plan for a livelihood within a family with respect to a profession that was both noble and useful.

I was at the International Ploughing Contest a couple of weeks ago. There was a very important button that I saw with a slogan. It said: "No support, no farmers, no food." We are talking here as if this is again an academic exercise. When we talk about food shortage world wide, who in heaven's name is going to produce while we sit back and watch our farmers disintegrate before our very eyes as their industry collapses because "You know, we were going to have a discussion on technical purposes of this bill."

I do not mean to diminish the interest of the House or the interest of the government, or the minister. Most of our members here are quite aware of what is going on in the agricultural community.

I am speaking from the view of an Ontario member, one from an urban environment such as the city of Toronto. It is almost criminal that we can point to retail prices for food products that have escalated dramatically upward over the course of the last 10 years while farm gate prices have remained at the same level that they were at the beginning of the last decade.

We can talk very politely about bushels of wheat being at the same price in absolute nominal dollars as they were a decade ago. It is just insane. It is just insane. We expect our farmers to maintain not only their way of life but an annual production, improve their quality, make themselves more efficient and make Canada much more aggressive in world sales of a much needed product.

We do not do that in the industrial sector. One of my colleagues from Broadview—Greenwood in Toronto was the first to tell us in this House that one of the things that happens in the industrial sector is bang, bottom line, out we go, because we are not making the dollar.

We are essentially asking people in the farming community and in the agricultural community to subsidize a very luxurious way of life for us. We are paying top dollar at the retail level for some food products while the farmer at the farm gate is getting what he was getting 10 years ago.

If I take a look at what has just happened in my own province of Ontario, farm income projections for this year indicate that the net farm income for Ontario will have declined by 27 per cent in the last four years. Twenty-seven per cent. Imagine maintaining an industrial enterprise with those kinds of figures, knowing that at the same time during the same period interest costs and operating costs have increased by 15 per cent.

On the one hand we have interest expenses increasing by 15 per cent over four years and net income decreasing by 27 per cent. It is no wonder that the farming community is in chaos, total chaos. We have high quality wheat, international prices that are low, and no sales or relatively little. We are talking about one major deficiency. One of the problems that my colleague from Algoma has pointed out is that we have not really addressed the implications of the free trade agreement and its impact on the agricultural industry. We have noted that there is a subsidy war, a trade war, between the United States and Europe and who is getting caught in the crossfire? Our agricultural community in Canada and most of all those of us who are consumers.

We have not looked at the implications of the free trade agreement when it comes to subsidies. We are supposed to eliminate tariffs on profits. I thought and the general impression I dare say among most members in this House is that subsidies that would be deemed unfair would not be applied. Yet we have the United States artificially maintaining a low price for many of our agricultural products, preventing our farmers from being able to sell a product on the world stage that will bring great benefit to Canada.

In fact again, for Ontario and Ontario alone, with total farm cash receipts of over $5.6 billion annually, we are not talking about an insignificant industry. In fact it is so important that agriculture in Ontario alone generates a further $17 billion a year for the Ontario economy. Seventeen billion dollars. That is similar to the total amount of money that is spent in the province of Ontario for health benefits.

Can you imagine what would happen if that kind of industry were allowed to go in the direction where it appears to be going, thanks to our lethargy. For those of us who are concerned about jobs and employment, I hasten to remind everybody that the agricultural business and associated business provide 12 per cent of all jobs available in Ontario.

Can we sit idly by and allow that pool of job creation opportunities to lapse and to collapse? We sit here with courtesy, with appropriate demeanour. I tell you, Mr. Speaker, I am shocked. I am shocked that we have not seen Canadians—maybe this is characteristic of the way that we deal with things as Canadians— out here at the front of the Commons ensuring that we pass legislation. My hon. colleague who spoke before me suggests we account for kinds of expenditures that go for the benefit of our citizens. If we do not spend our money for the benefit of our citizens and if we do not spend our money to maintain a lifestyle and a quality of life that we hold dear and we say characterizes Canada and all of its inhabitants, for what purpose are we in this place?

We are talking essentially about seeing an integral part of Canadian society being transformed completely.

• (1230)

We are seeing farms abandoned on a daily basis. We are seeing families abandoning a livelihood that has been there for generations and moving to cities. At the same time, we are seeing cities like those of Toronto, specifically Toronto, experiencing an enormous increase in unemployment. There has been a 73 per cent increase in welfare costs over last year and a 50 per cent increase in unemployment since the beginning of this year. We are seeing the collapse of an industrial base that would be required to absorb this enormous migration from rural Canada to urban centres.

Mr. Speaker, I appreciate that the minister wants to put forward a bill that would allow us to go into the traditional form of sales with the appropriate caution. We have to safeguard, of course, the hard-earned dollars of all Canadians.

I wish that we would be a little more energetic when it comes to selling the product that is second to none in the world and when we come to guaranteeing a livelihood for Canadians who have sweated by dint of their brows to ensure that we are vigorous and productive world-wide.

I do not really want to say much more. What is happening is that we are getting very high retail prices for a product that is very, very good and we are recognized as being a very efficient producer, but we are providing our producers with very little. We seem to be taking a secondary position to some of the more aggressive nations in the world when it comes to selling our products.

Mr. Speaker, I know you want me to finish but if you would give me a moment, I just want to refer to some statistics of destinations of Canadian agricultural exports coming from Canada's trade in agricultural products in 1986, 1987 and 1988. It shows, for example, that we have had a precipitous decline in our agricultural products everywhere around the world, most specifically in the United States. We can see why with the artificiality of the low cost of their products.

We see an enormous decline in exports to developing countries. The only place where we seem to be holding our own is Japan. To the EEC, thanks again to this trade subsidy war that we are engaged in with the United States, we are going downhill.

What is required, Mr. Speaker, is not just simply minor amendments and technical bills. What is required is an aggressive action by this government, its agencies and the Canadian Wheat Board to sell the products that our producers have so diligently and so properly put together and provided for the marketplace and for consumers world wide.

We owe it, Mr. Speaker, not only to ourselves and the agricultural community in Canada but to the world market and all consumers world-wide to be aggressive and dynamic in selling a product that is so purely Canadian.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, we certainly appreciate the intervention of the member opposite, especially somebody coming from an urban riding. I agree with him and I think there is a lot of concern out there over the agricultural situation. I would like to just give him a few numbers to help put the issue into perspective.

First of all, the hon. member talks about prices that were as bad as they were 10 years ago. It is even worse than that. Prices are basically the same in some commodities as they were 30 years ago. In fact, if you want to do a direct comparison, the price of wheat now is essentially what it was in 1971, which is 20 years ago. The point he makes is well taken and that is to try and think of a farmer making ends meet or a business operating with today's expenses on the income that he had 20 years ago.

Second, I want to suggest to him that the situation is the same right across the country, whether it is in Ontario, the prairies, the maritimes or Quebec. If it is the grain and oilseeds side of things, prices are very, very bad. There is no question about that.

Third, you talk about the free trade agreement, Mr. Speaker. Members in the House should know that as a result of the free trade agreement, the U.S. is now becoming more and more a customer of Canadian products. The U.S., believe it or not, is the second most non-subsidized market that Canada has. We sold over one million tonnes of all grain and oilseeds to the U.S. in the last crop year. When you think about it, the U.S. is the largest exporter of grain and oilseed products in the

world and yet it is about our fourth or fifth largest customer. So the free trade agreement has provided a more secure access to the U.S. market than we have ever had before. A result of that is that the Ontario Wheat Producers Marketing Board, the Canadian Wheat Board, other agencies and individuals who sell into the U.S. market have done so in increasing amounts. So the free trade agreement has actually helped us in terms of quantity going into the U.S. Also as I said, after Japan it is the second highest market in the world.

When the member is talking about the free trade agreement, he should take some of those things into consideration.

The last thing I wanted to just point out is that he talked about our markets going down. In fact, that is not the case. Canada has maintained its share of markets but we have done so at horrendous costs as far as price is concerned. So we continue to sell.

The reason we do not sell as much to the European Community as we did previously is that it has what is called variable import levies in place that very much keep the Canadian product out of their market. We can be as aggressive as we want but unfortunately there are no trade rules that apply to agriculture products the same as there are for other products. That very much keeps us out of that market.

We are being very aggressive. In fact Canada and the Prime Minister have taken the lead in putting these issues on the table internationally to try to get a resolution to them.

We are not sitting idly by, by any means. The record is there to indicate otherwise.

I want to conclude by agreeing that this is a very serious situation. I intend to say some things at third reading that point out the problem that we have and how absolutely criminal it is in many ways that when the world needs food and we can produce it, prices go down and we see more people going to bed hungry.

Mr. Volpe: I welcome the intervention of the minister who took great pains to agree with some of the statements that I made. I acknowledge that and I thank him very much for understanding that we do have a serious problem. The real value of income coming back into the agricultural community is akin to that which it was 20 years ago, or in some instances 40 and 50 years ago. That already shows that we have a problem of disastrous proportions.

I have to take some exception to the attempt to correlate a positive component of sales with the free trade agreement. The minister has given us an indication that we have maintained our market share but that does not indicate for the producer in Ontario and Saskatchewan, Alberta and elsewhere that we have actually continued to sell very productively. We have already talked about the value of the sales that we have made in real terms and that value, to all intents and purposes, has gone down. You can maintain a market share all you want if you are not getting the appropriate income from it.

With respect to the United States being a major consumer of our products, that is one of the misfortunes of our marketing strategies. It might be true and it is true that the EEC has some very prohibitive legislation for our products but the EEC is not the only market in the world, nor is the United States.

We have just learned that one of our major flour mills, Ogilvie, is actually importing U.S. wheat for its milling operations. The situation is not as the minister would have us believe that we have secure access to a market in the United States. One of the things that the United States is doing is buying our product knowing that the prices are so low, handling the sales and turning right around and selling the product on the international market.

I can see the minister saying: "Well I cannot believe that that is true." Well, it is true. All he has to do is go down to the brokerage houses in Toronto and he will see what is happening.

• (1240)

Mr. Vic Althouse (Mackenzie): I have just a brief comment, Mr. Speaker. I am impressed with the enthusiasm that we are getting from some of the urban members. I wish that more of them would be as interested and supportive in what is happening to their food sources.

I guess because I have been here 11 or 12 years watching with great concern the decline of rural communities that it is not as easy for some of us who live it every day to be as enthusiastic as he was in our presentations. When one is watching the decline of the place where one grew up, and the families one knew, and the problems that your own family is having, it is not easy to become enthusiastic. I appreciate and applaud what he has done

today by putting a fresh approach on the humdrum presentation of the facts, and by an acceptance of dealing with the legislation that we have before us.

What we are hoping to do with the quick passage of these two pieces of legislation here today is to make room on the parliamentary agenda for the government to present legislation that will provide a $1.3 billion pay-out to farmers this year, which is the shortfall that exists in net farm income for the 1991 crop year.

We are very enthusiastically awaiting the announcement by the Prime Minister, the Minister of Finance and the various ministers responsible for agriculture for that to occur.

Mr. Volpe: Mr. Speaker, my enthusiasm should not be confused with any kind of eagerness. What it should be interpreted as is the kind of energy that is required I think to drive home the point that this is an issue that affects all Canadians. That is where I come from on this. It is not a situation where I am getting enthusiastic because I see farms collapsing on a day-to-day basis. Nor is it one where we see Canadians suffering virtually everywhere in this country.

In fact, it comes from a desire to ensure that a very important component of our social fabric and a very important dimension for the Canadian economy is not only preserved, but is nurtured, maintained and moved forward for the benefit of all Canadians.

Mr. Mayer: I have just a brief comment, Mr. Speaker. The member made reference to Ogilvie importing wheat from the United States. I believe he is talking about a shipment of some 19,000 tonnes. That sounds like it is too much. I forget the number. It may have been 19,000 tonnes. The information I have is the reason Ogilvie did that is because of what happened with the grain inspectors. Because the grain handlers refused to cross the picket line, Canadian supplies were not available.

The member should be a little bit careful when he talks about linking that kind of a purchase which is, as I understand it, a one-time shot simply because Canadian supplies were not available. If he is criticizing that, then he should have been voting for the legislation that put public servants back to work, including the grain inspectors which, if they had stayed at work, would have not meant that Ogilvie had to go outside the country to buy wheat. He should be a little careful when he uses some of that information.

Second, I agree with the member for Mackenzie. I think this kind of support and enthusiasm, and I say enthusiasm in the best possible use of the word, is very helpful as far as having urban people understanding farm issues. I would be very happy to spend some time with the member. I invite him to come to committee and we can air some of these things and he can get a better understanding.

Again, I am not saying that his understanding is not useful, but he could understand fully some of the implications of the trade war and some of the things that we are trying to do to support farmers. I think this kind of support in the House from urban members is very welcome.

Mr. Volpe: Mr. Speaker, I just could not let the minister's comment go unchallenged. The fact of the matter is that Ogilvie with its one shipload, which is a substantial amount of wheat that will have been imported if we accept the minister's calculation, does not come necessarily from the grain inspectors. One of the problems is that we have had an erosion of a transportation system in this country, thanks in large measure to his government's policies over the course of the last seven years that are not permitting us to move grain as efficiently as we need to move it in order to get it to the markets where it is required. That has been the problem. It has not been the legislation that was before the House last week.

The Acting Speaker (Mr. DeBlois): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. DeBlois in the chair.

[*Translation*]

The Assistant Deputy Chairman: Order. The House is constituted as a committee of the whole to consider Bill C-23, an Act to amend the Canadian Wheat Board Act.

Shall clause 1 carry?

On Clause 1--*Guarantee*

[*English*]

Mr. Maurice Foster (Algoma): Mr. Chairman, I have a couple of questions to put to the Minister of State for Grains and Oilseeds.

In the Auditor General's report he suggests that there is some $4.2 billion which is not properly authorized by Parliament. I wonder if the minister could say who the five top largest debtors are, or who owes that money to the Wheat Board. What countries are involved in that?

In the Auditor General's report of 1990, reporting on the fiscal year 1989, the Auditor General suggests that some $3.4 billion of this money is from financially troubled countries. I am not sure if that is a great exclusive club because it seems to me a lot of countries which are supposedly rich countries are also financially troubled countries, including our own. But I am wondering just which countries are in debt to the Canadian Wheat Board.

The Auditor General's report goes on to suggest that the value of the board's troubled receivables is impaired by at least $2.1 billion, and this impairment continues to grow at the rate of $300 million a year.

I am assuming that that word "impairment" might better mean that they are not able to repay at all, or are incapable of repaying, since it is suggesting that some $300 million a year is added to the account or the debt. I wonder if the minister could tell us just which countries owe the $2.1 billion that appears not to be able to be repaid, and whether the government is planning to write that off, or whether it just continues to build up at the rate of $300 million. In fact, it was suggested by the hon. member for Mackenzie that the $4.2 billion that was in the Auditor General's report for 1990 had grown to $4.6 billion.

What we are trying to do is to give legal authority for new shipments of grain that are bought on credit by countries and by individuals around the world. We are trying to give legal authority to the existing debt. I wonder if the minister could tell us about those details.

• (1250)

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Chairman, with regard to the member's first question of who owes the Canadian Wheat Board money as a result of credit sales, I am sure the member will know that this is a very competitive market and what goes on as far as transactions is very sensitive and, therefore, is commercially confidential. We make every effort to comply with customer's concerns, even over the price that a sale has taken place for, for an appropriate period of time.

For me to stand in my place and signal to everybody, because this is full public record, who is owing money to the Canadian Wheat Board would not at all be appropriate and I do not think would be very useful. In fact, it would be very destructive to the board in its sales efforts.

With regard to the rescheduling and what the Auditor General says there, I made the point with the member for Mackenzie previously, that again we consider all of the debts as being sovereign because the Canadian Wheat Board signs agreements backed by central banks and governments of countries that we do business with. Therefore, from our point of view, if it is a sovereign debt it is ultimately repayable.

On the occasion when there is rescheduling that takes place, and there is a standstill, and we give countries breathing space, and a judgment call is made, then that is handled differently. That is put on the books in a different way. But until some of that rescheduling takes place, then the amount outstanding, because it is sovereign with other countries, is considered fully collectable.

The last point the member asked about is the rescheduling. If one looks at page 43 of the annual report, again it is not appropriate at all for anybody to talk about which countries are rescheduling, but there is a number there toward the right hand side of the page at the bottom. As of July 31, 1990, total rescheduling amounted to $3.3 billion, including $1.25 billion which is the Canadian equivalent of $1.8 billion receivable in United States funds.

In terms of countries, again it is a very difficult thing to do because we in no way want to impair the Canadian Wheat Board's ability to sell based on information that would not be useful in a commercial relationship. The numbers are there in terms of the total amount. If the member wants to turn to page 48, again as I pointed out to the member for Mackenzie, there is a listing which could be considered contingent liabilities. It is up from $3.7 billion in the previous crop year to $4.6 billion as of the crop year ended a year ago. The annual report for the just concluded crop year is in preparation. It will not likely be available for, I would think, another month to six weeks.

Mr. Vic Althouse (Mackenzie): Mr. Chairman, the minister has the annual report open. Perhaps he could put on the record the amount of federal monies that went to the Wheat Board account by way of interest that was not paid by the defaulting countries that was paid into the account so that the farmers and the board were not responsible for those losses.

Mr. Mayer: I am wrong when I say that the report will be available. It is not available until some time, I believe, in February or March. I just wanted to correct that.

Again, it is not appropriate. If we were to put that kind of information out it would be very simple to calculate from the interest back to what the principle would be. If the member wants to look at page 43, there is a list of the various countries the board does provide credit to.

Just so that we use the right words, I am not so sure that "default" is the right word. As I said, because the debts that are incurred, or the loans that are made, are to sovereign countries and they are considered, therefore, as part of a country's sovereign commitment, we consider them collectable until they are rescheduled. So, I am not so sure that the member should use the word "default."

Mr. Althouse: For clarification then, were there any funds that went from the Government of Canada to the Canadian Wheat Board account in lieu of either interest missed or debts not paid in any of the past years and if so, what would that amount be?

I am not asking for commercial information. I am simply asking something that taxpayers and members of Parliament should be aware of. How many tax dollars did go to the Canadian Wheat Board, if any, to pay for either interest or loans that had not been kept up to date so that the farmers or the Wheat Board did not have to carry that liability?

Mr. Mayer: Let me try to explain it this way if I can. It is simply that when you think about transferring money from the Government of Canada to the Wheat Board to the farmers, that is not really what we are talking about here.

When the board makes a sale, if in fact the people who they are selling to do not pay fully, it goes to the market and borrows money.

We put a bill through the House, the hon. member will remember, about three or four years ago to give the board better opportunity to operate on the market. It can now issue its own paper in Canada and the United States. It is expanded to credit unions, trust companies and the whole thing. The member will be aware of that.

The board then decides how it is going to raise the money. It does so on a sovereign guarantee from the Government of Canada. If in fact that country or that individual cannot repay, the board has to keep borrowing. As the interest piles up or increases, the government guarantee just increases with that.

To suggest that the Government of Canada pays money into an account as a result of interest accruing on debts that have not been satisfied is not the right way to think about it.

If the member is talking about money on a deficit in the pool account for which the board has not been paid, then there is provision in the act that the government pays interest. I think the member will know what I am referring to there.

There have been cases when there has been a deficit in the pool account. Because the board has not received the full amount of money from its purchaser, the government pays interest from the end of the crop year for an appropriate period of time to satisfy that requirement so that the producers are not out.

Again, I do not think it is right to say that the Government of Canada actually puts money into a Canadian Wheat Board account to satisfy interest as a result of a customer not paying its loan when they anticipated they would be able to.

Mr. Althouse: Perhaps the minister or his officials could explain the impact of the amendment to section 33 of the act. It refers on the second page to the principal so guaranteed and any interest that accrues during that pool period with respect to sales of wheat on credit, et cetera.

The guarantee of the interest was part of the act before this change. That was why I was curious as to whether any payments had in fact been made under that particular portion of the act that has been in existence for the last two or three years, or whether this is simply something anticipating a situation.

From what the minister has been telling us, apparently there has been no transfer of funds to pay interest foregone or interest that could not be paid and that is really all I need to know if that is in fact what he was telling us.

There has not been any requirement for money to move from the Government of Canada to the Wheat Board under this particular section of the act.

Mr. Mayer: Mr. Chairman, that is precisely my understanding of it.

What simply happens is that the line of credit or the credit limit simply gets raised to take into account the amount of interest that has to be paid by somebody to keep that loan outstanding.

Hon. Ralph Ferguson (Lambton--Middlesex): Mr. Chairman, I rise to make some comments on this bill today. I must say that I am very much in support of the amendments to the Canadian Wheat Board Act that would allow the government to authorize the Minister of Finance to make these payments.

As I indicated earlier this day, every piece of legislation has to be amended from time to time. In that context, I think there has been an oversight here and I want to propose a very simple technical amendment that requires the addition of two words to correct a huge error that was made a little over a year and a half ago.

I am sure in the minister's own mind he realizes the blunder that was made in early 1989 when oats were removed from under the jurisdiction of the Canadian Wheat Board. We all know that the price of oats plummeted shortly after the decision was made and the price never recovered.

Of course the positive impact I believe for the minister himself, because I am aware of the criticism levelled at him when this was removed from under the jurisdiction of the Wheat Board, is that this amendment would ensure that such a mistake would never happen again. If such a move had to be passed by this House, we in the Liberal Party would never allow it to happen.

So this removes the government discretion and makes this inclusion mandatory that these grains are included in the act itself. Therefore, I move:

> That Bill C-23 be amended by adding thereto the following clause:
>
> "3.18(2) of this act is repealed and the following substituted therefor: 3.18(2) Except as directed by the Governor in Council, the Board shall not buy grain other than wheat, oats and barley."

I move this amendment, Mr. Chairman, seconded by the hon. member for Algoma.

[*Translation*]

The Assistant Deputy Chairman: The Chair takes under advisement the amendment moved by the hon. member for Lambton--Middlesex.

It being one o'clock, shall I rise, report progress and request leave to consider the bill again later this day?

Some hon. members: Agreed.

Progress reported.

[*English*]

It being one o'clock p.m., I now leave the Chair until two o'clock p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

MULTICULTURALISM

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, 20 years ago today multiculturalism became official Canadian policy. It came alive here in the House of Commons. Then Prime Minister Pierre Trudeau christened it with these words:

"A policy of multiculturalism commends itself to the government as the most suitable means of assuring the cultural freedom of Canadians--National unity, if it is to mean anything in the deeply personal sense, must be

founded on confidence in one's own individual identity; out of this can grow respect for that of others and a willingness to share—"

Indeed, multiculturalism as a policy affirms that "freedom to be ourselves cannot be left to chance."

Canada is home to all who have chosen to live here. The people of many cultures have built this country. The nation is living, breathing and always changing.

It was in Canada's interests that this House proclaimed multiculturalism as an instrument of national unity 20 years ago today. It is in Canada's interests that today this House reaffirm its commitment to multiculturalism. National unity may depend upon it.

* * *

[*Translation*]

DEMOCRACY IN HAITI

Ms. Nicole Roy-Arcelin (Ahuntsic): Mr. Speaker, on behalf of the Haitian community, I wish to thank and congratulate our Prime Minister for his firmness in defending rights and democracy in Haiti.

The thanks of the Haitian community also go to the Secretary of State for External Affairs for his courage and determination and to the Minister for External Relations for her firm stand.

Many organizations, associations and friends of the Haitian community in Quebec and Canada have assured me that they would never forget this remarkable stand our government took to restore democracy in Haiti, despite some difficulties.

* * *

[*English*]

AIDS AWARENESS WEEK

Mr. Ross Harvey (Edmonton East): Mr. Speaker, the Canadian AIDS Society has declared this to be AIDS Awareness Week. The theme across Canada is AIDS: Our Challenge for Life.

If the government's original response to this challenge, the National AIDS Strategy, announced in June 1990 is to succeed, there must be more funding and support. The organizations in Canada working to control and reverse the AIDS epidemic are having to deal with increasing numbers of cases without a corresponding increase in funding. Even the current limited and increasingly inadequate federal commitment will end on March 31, 1993.

Mr. Speaker, AIDS is not the disease of the 1980s. It is still with us in the 1990s and the crisis is far from over. We must increase resources and extend our commitment to fight this terrible disease, as the Ontario government announced yesterday it will do.

I am certain the persons living with AIDS and their loved ones in this country and those who have died already as a result of this disease are looking to us for concrete evidence of our understanding that AIDS does indeed pose our challenge for life.

* * *

BLUE BOX PROGRAM

Mr. Bob Horner (Mississauga West): Mr. Speaker, I rise today to pay tribute to a company that continues to show leadership in waste control.

Friday, October 4, marked the 10th anniversary of Laidlaw Waste Systems blue box program. Laidlaw currently recycles 40,000 tonnes of household and commercial recyclables per year. The anniversary was celebrated with the opening of a 10,000 square foot expansion to Laidlaw's Mississauga facility, establishing it as the most innovative recycling plant in North America.

When the Laidlaw blue box program started 10 years ago in Kitchener, the company collected three products for recycling; newspaper, glass and cans. Building on the success of the original program, Laidlaw now recycles 12 products through its Mississauga facility including corrugated cardboard, glossy magazines, household plastics, textiles, and white goods such as fridges, stoves and their associated CFC gases.

I want to congratulate this private sector firm for working hand in hand with governments in accepting the responsibility of preserving our environment and at the same time preventing the wasteful use of our natural resources.

* * *

COMPANY OF YOUNG CANADIANS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, this past weekend members of the Company of Young Canadians held their 25th reunion. CYC volunteers from across the country convened to discuss those very

special creative years and to share insight into current social problems which plague our country.

The CYC was brought into existence through legislation to encourage young people to share their energy with communities across the country which faced grave social and economic challenges. Training sessions in community development and human relations enabled these same young people to contribute greatly to the communities sense that they deserved a say in decisions that affected their lives and that the sound principle of participatory democracy was indeed a principle to be upheld and respected.

These same volunteers voiced sincere concern that today young people do not have in place a similar opportunity to serve their country. They also reaffirmed their ongoing concern and commitment to continuing to contribute to and assist in promoting the principles of community development and concern for their fellow citizen.

I bow to and honour these CYC volunteers who remain as energetic and caring today, 25 years later.

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[*Translation*]

STATEMENTS MADE BY FORMER PRIME MINISTER PIERRE ELLIOTT TRUDEAU

Mr. Vincent Della Noce (Laval Est): Mr. Speaker, as a member of a minority, I feel I must comment on the statement made by the former Liberal Prime Minister, Mr. Trudeau. A statement of this kind by a man who has an international reputation and enjoys a certain credibility is unworthy, irresponsible and libellous. I would even call it psychological terrorism, an attempt to intimidate those who are seeking a country that is tolerant.

Minorities are full-fledged Quebecers and are treated as such by all Francophone Quebecers. Distinct society or not, minorities have nothing to fear. As far as scare tactics are concerned, Quebecers were exposed to worse during the seventies under the Trudeau government.

It is high time someone told him: "Put your feet up, Grandpa".

[*English*]

TREASURY BOARD

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, when the treasury board president announced that top level government appointees would receive big fat bonuses at Christmas while all other public servants would get nothing, not even a lump of coal, my phone rang off the hook. And all of this on the coat-tails of the largest back to work order in Canadian history.

For the record, here is what some of my constituents had to say: "You should demand that the treasury board president resign". "I didn't picket before but if they went out again I would be on the line". "I am outraged at the blatant display of political shenanigans". "I am disgusted".

Mr. Speaker, I share these opinions. This is a government run amok. Let us call a spade a spade. The rules of fair play have not been applied here. When will the government realize that if you do not pay Peter you cannot reward Paul. The minister responsible for Treasury Board should resign.

* * *

PERSONS CASE

Hon. David MacDonald (Rosedale): Mr. Speaker, this month marks the 62nd anniversary of the Persons case. In that connection I am privileged to rise today to extend my congratulations to a member of my constituency, Ms. Doris Anderson, who is a recipient of this year's Governor General's Award in Commemoration of the Persons case.

• (1410)

Ms. Anderson has been at the forefront of the women's movement in Canada for more than 30 years and has distinguished herself as a journalist, author and equal rights activist. Perhaps best known as the long-time editor of *Chatelaine* magazine, she has also served as President of the Canadian Advisory Council on the Status of Women and President of the National Action Committee on the Status of Women. She has also played a major role in the movement to entrench equality rights for women in the Constitution.

Through her work she has made innumerable contributions to the advancement of women in this country and I ask all members of this House to commend her on this important award.

* * *

AGRICULTURE

Mrs. Christine Stewart (Northumberland): Mr. Speaker, across Canada, farmers are facing extreme economic hardship. For a variety of reasons beyond their control, many farm commodity prices are below the costs of production. Many are being forced to sell their farms or go bankrupt.

Canadians must understand the importance of farming to our national well-being. We in Canada, compared to all other nations, pay the second lowest portion of our income on food purchases, yet we complain. The fact is that if we in Canada lose our ability to feed ourselves, we will end up paying whatever the hand that feeds us demands: our cash, our natural resources, our political support.

Farming is also vital to our Canadian economy in terms of trade revenues and its spin-off support to supply, handling and processing industries. Farming supports the rural lifestyle preferred by so many Canadians.

In my riding of Northumberland and across Canada, farmers demand that this government commit to defending and improving the viability of the whole Canadian agricultural industry at the upcoming GATT negotiations. In particular Article XI of GATT must be clarified and strengthened to protect our supply managed producers.

* * *

TRADE

Mr. Rod Murphy (Churchill): Mr. Speaker, over the weekend the member for Willowdale, who is the Liberal industry critic, was at a conference in Toronto and was a cheerleader for a free trade agreement with Mexico.

The spokesman for the Liberal Party is quoted as saying that this is a marvellous opportunity to amend the free trade agreement. How naive, Mr. Speaker. The Liberal Party should recognize the fact that the present trade deal has cost over 200,000 jobs and that a further trade deal with Mexico is a more massive threat to Canadian workers.

Why are the Liberals waffling? Are they seeking to regain the financial support of the large corporations which are sponsors of the free trade deal? Now is the time to stand against the free trade deal. It is not the time to be tricked and trapped by the Prime Minister and his corporate friends who want a corporate agenda for all of North America.

* * *

THE ECONOMY

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, according to the Minister for International Trade, Mr. Wilson, a proposal to update the Constitution and improve market efficiencies within the country does not go far enough to solve the problems facing the Canadian economy.

A close examination of the Canadian economy would support this position. For example, between 1985 and 1990 unit labour costs in the U.S. declined marginally whereas in Canada they climbed 48 per cent. As well, wages in Canada have increased 27.6 per cent compared to 18.6 per cent in the U.S.

In response to these realities, the Minister for International Trade will embark upon a prosperity and competitiveness campaign. We look forward to the minister's prosperity initiative as we face the realities of a global marketplace. As it is often said, Mr. Speaker, there is no place left to hide.

* * *

AGRICULTURE

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I attended a meeting of over 500 farmers in my riding in Nova Scotia on Friday concerning the general picture of agriculture. They have an understandable concern about western wheat and/or the wheat war and that our international trade negotiators might forget Article XI of GATT.

I want to take the opportunity, Mr. Speaker, to impress upon the government, especially the Minister for International Trade and the Minister of Agriculture, that while there is the understandable concern about western wheat, that in the negotiations under GATT going on in Geneva now, there can be no back-peddling on the position we put forward December, 1990 on Article XI of GATT. Any change would be a disaster for

supply management and would affect so many farmers in other parts of the country than the west.

* * *

ENVIRONMENTAL CHOICE PROGRAM

Mr. René Soetens (Ontario): Mr. Speaker, I am pleased to have this opportunity to draw your attention to the Environmental Choice Program and its first national consumer awareness campaign.

Environmental Choice was created by the Prime Minister and the Government of Canada in June 1988 to provide consumers with environmentally responsible alternatives in the marketplace.

Since its creation the program has come a long way. Today its symbol of certification can be found on more than 500 products and services of some 80 companies. These range from re-refined lubricating oil to residential composting systems and diaper services, and the list grows every week.

The awareness campaign is designed to reach out to Canadians across the country through television and print messages. It will help consumers more easily identify products and services that are less harmful to the environment. It will also help industry recognize the market advantages enjoyed by products and services that bear the program's certification.

I ask that Canadians take note of this important program. Only with their widespread involvement can Environmental Choice make a significant impact.

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[*Translation*]

QUEBEC'S SOVEREIGNTY

Mr. Nic Leblanc (Longueuil): Mr. Speaker, there are people who say Quebec's sovereignty will cause a flight of investment capital. We must realize that capital moves for various reasons: interest rates, availability of labour, market conditions, technological change, and so forth.

The government's financial position also has an impact on the movement of capital. Political instability will also affect this movement.

Today, foreign capital is avoiding and even leaving Canada, mainly because of the deficit and also because of political instability.

In Quebec, we know what we want. We want to get rid of federal bad management. We want to get rid of political instability, in order to build a prosperous Quebec.

* * *

[*English*]

AGRICULTURE

Mr. Lee Clark (Brandon--Souris): Mr. Speaker, the financial farm crisis which exists in western Canada today is the worst in recent memory.

With farm gate prices slashed to early 1970 levels, grain producers are unable to pay their operating loans let alone meet their long-term debt obligations. Consequently there is an immense amount of pessimism in the region, the most severe in fact that I have ever seen.

As our grain producers have a genuine and immediate need for financial assistance, I was pleased to be present in Winnipeg last Friday when the Prime Minister promised the third line of defence committee that additional federal dollars would soon be forthcoming.

However, western grain producers and the businesses that support them are also dependent on those who move the grain to market. That is why striking grain handlers at Thunder Bay must be legislated back to work. Moreover, grain handling must be declared an essential service so that farmers will never again be the innocent victims of highly destructive strikes as they have been this autumn.

The farmer's plight is extremely severe and we must respond immediately.

* * *

JOB TRAINING

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, the time has come to get serious about job training in Canada. At a time when companies are warning our government that new jobs will materialize only if we can generate enough skilled and educated people to use the latest technology, our response to this challenge has been unacceptable.

Federal expenditures on training as a share of the GDP have fallen from .19 per cent to .17 per cent during the period 1987 to 1990.

On the job training is outrageously inadequate. In 1988 the average worker in Japan received 200 hours of training. In Sweden, 170 and in Canada, less than 7 hours.

At a time when we have a 30 per cent high school dropout rate, I urge business, government and labour to devise a strategy and to co-operate so that we can have an effective and dynamic training program for our youth, our workers.

The federal government must take the lead.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

Some 50,000 farmers, or one out of every five farmers in Canada, are in danger of losing their farms.

Nowhere is the situation more desperate than in Saskatchewan, but the Prime Minister seems to be waiting for just the right moment in the Saskatchewan election before announcing an emergency aid package.

When is he going to stop playing politics with the lives of farmers? Why does he not announce an emergency aid package for western farmers right away?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend would seem to suggest that our interest in western agriculture has just begun. A point of fact, in the seven years that this government has been in office we have increased assistance to western agriculture by 650 per cent from the levels left by the Liberals.

We have tried, as best as any government can, to stand with the farmers. I met in Winnipeg with the representatives of the third line of defence. I pointed out to some people after that in 1962 when I was private secretary to the Minister of Agriculture, which is 29 years ago, the question then was $2 wheat and the question today is $2 wheat, some 29 years later. This means that everything else has gone up and the farmers' prices have remained stable at 30-year old levels. This is unacceptable.

The Government of Canada has stood with the farmers before and we will stand with them again.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to tell the Prime Minister that my interest with the farmers of western Canada goes back to my grandfather who was a farmer in Alberta and goes back to all my uncles who have been farming in Saskatchewan and Alberta, so it is not new for me to talk about farming in western Canada.

What we see happening today seems very familiar. Everyone knows that during the last Saskatchewan election the Prime Minister was able to find a billion dollars just at the right time.

I want to ask the Prime Minister: Is he waiting for another midnight call from Grant Devine, who will be defeated anyway?

The farmers of Canada cannot afford to wait. The farmers of Canada want action right away. Why does he not do what has to be done right away?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know, unlike my hon. friend, who will be elected in Saskatchewan at the election. That will be the decision of the people of Saskatchewan. The problems of the farmers of western Canada are unrelated to any electoral results. They are related to justice and well-being. This government has stood with them in the past and will stand with them again.

We are moving as quickly as we can. As I indicated last Friday in Winnipeg, I instructed the Minister of Finance and the Minister of Agriculture to try and bring together, within a week, a specific proposal that we would then share with the members of the third line of defence committee, which is the way we have been working with them since last spring. That process seemed to meet with fine favour among all the representatives who were there from across Canada. I think it is a reasonable and appropriate way to proceed, in co-operation with the provinces and in co-operation with the pools and producers, and that is what we are trying to do.

With regard to my friend's grandfather from western Canada, he is one of our strong supporters.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, not only are this government's agricultural policies destroying the foundations of Western Canada's economy, but this very day, conservative economist

Thomas Courchene said that Canada was in danger of disappearing as a result of high interest rates and an overvalued dollar.

Why does the Prime Minister not act immediately to make Canadian goods more competitive abroad and bring the dollar down to a normal level so that our workers can find employment throughout the country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, interest rates have fallen nearly 6 points in almost a year. For the past three months, inflation has been below 3 per cent and we are aiming for a rate of 3 per cent next year. Economic growth is expected to be 3.5 per cent next year.

So I think that the government's economic strategies are working fairly well, considering that the IMF just said that economic growth in Canada would rival Japan's next year for the lead of all major industrialized countries. The record is not so bad.

Now if my friend, a former Minister of Finance and President of the Treasury Board, is telling us that the Department of Finance should give the Bank of Canada a directive to lower the value of the Canadian dollar artificially to 80 cents, let him say so directly, because he knows the immediate disastrous consequences for Canadian investments; he knows that the inflationary impact in Canada would be catastrophic. What will help lower the value of the dollar are falling interest rates, rising growth rates and prudent management of public affairs, which we are doing.

* * *

[*English*]

THE ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, I also have a question for the Prime Minister.

Yesterday, Thomas Courchene who is director of the School of Policy Studies at Queen's and an advisor to this government, told the Canadian Exporters Association that high interest rates and the overvalued dollar are creating "a reserve army of the unemployed".

I ask the Prime Minister: Why will the government not cease now those policies that are conscripting 1.5 million Canadian workers against their will into its reserve army of the unemployed? Why does this government insist on leading them in a death march to economic oblivion?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are following a course of economic development that my hon. friend can--

Mr. Peterson: It is not working.

Mr. Mulroney: My hon. friend from Willowdale says it is not working.

Ten years ago this morning, when his government was in office, the interest rate was 20 per cent. Today it is 8.75. Inflation ten years ago this morning was 12.6 per cent and rising. This morning it is 5.8 per cent and declining. That is the program of this government.

We are not going to return to that kind of philosophy. It does not work. We have inflation that is dropping. We have investment that is increasing and we have the economy on track for what the OECD says will be impressive economic growth in 1992 and 1993. I think that is good news for Canada.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister said that the economy is on track, but Professor Courchene told the Canadian Exporters yesterday: "Our overvalued Canadian dollar is hollowing us out all along the production, tourism, cross-border shopping spectrum". "Moreover", he said, "our monetary stance is imperilling our future". That is a strange way to keep the economy on track, to take steps that will imperil our future.

I ask the Prime Minister: Will he cease those policies now that are imperilling our future and bring back hope to the Canadian people about their economy and their future?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is an alternative to the course that we are following, that is the course pursued by my hon. friend when he was President of the Treasury Board where spending in Canada increased by 14 per cent a year every year for 15 years. During that period of time the debt in Canada increased by 1,100 per cent. That is a lethal course for Canada and we are not going to follow it.

An hon. member: Deindustrialize Canada.

Mr. Mulroney: My hon. friend from Willowdale yells his favourite word "deindustrialize". A point of fact, since the free trade agreement was brought in, the net inflow of foreign investment in Canada, positive invest-

ment in Canada, was some $4 billion. For the first time in 15 years there is that kind of net investment flow into Canada creating the new jobs that Canadians need.

* * *

AGRICULTURE

Mr. Lorne Nystrom (Yorkton--Melville): Mr. Speaker, my question is also for the Prime Minister.

The Prime Minister is aware of the absolutely desperate situation among prairie farmers. In a way it is very difficult even to describe the tension, the stress, the problems with families, the suicide rate and such things in the rural prairies.

In view of the fact that farm income now on the prairies is less than one-quarter of the rate of the national poverty level in this country, I wonder if the Prime Minister can level with the House today and assure us that when he makes this announcement there will be an emergency package of more than $1 billion for farmers in this country. Can he tell us exactly when that payment is going to be made?

• (1430)

Families out there are really under stress. They need an answer and they need it now.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I indicated in Winnipeg, even though the Government of Canada does not have the money, we are going to try to find the money as quickly as we can to put together a package that will help the farmers who are affected by this crushing drop in commodity prices.

As I speak, the Minister of Finance, the Minister of Agriculture and the Minister of State for Grains and Oilseeds are putting together a proposal for cabinet which I believe will come forward on Thursday. As quickly as I can thereafter I will be happy to advise my hon. friend.

We are trying to help the western farmers in every way we can. I know, in keeping with that, he would want to help the farmers by asking his friends in organized labour to cease that work stoppage in the Lakehead which is stopping the sale of western wheat.

Mr. Lorne Nystrom (Yorkton--Melville): Mr. Speaker, our party has been asking for mediation in that dispute now for a long time. We have been trying to get both sides back together. The Minister of Labour is fully aware of our endeavours.

What I want to ask the Prime Minister is: Why can he not announce that package today? He has known of the problems now for many months, in fact going back six or eight months. The situation has not changed. It is desperate on the prairies. Why the delay? Does the delay have to do with Grant Devine's election schedule? If so, why this cynicism? Why not announce it now? Why play games with people's lives, is what I am asking?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend knows that we have put together the GRIP and NISA programs which will be putting, within the next eight months but as of September, some $2.5 billion into the pockets of Canadian farmers.

What we are talking about is a deficiency payment over and above that to meet the shortfall on income that affects individual farmers across the country but principally in western Canada.

This is something that was dealt with by the third line of defence which brought together people from across western Canada. I met with them on Friday. We had a lengthy and productive meeting. All of the people representing the family farms, the pools and so on across the prairies seem to think that the way we are proceeding is the right way and the productive way.

Some hon. members: Oh, oh.

Mr. Mulroney: Mr. Speaker, the Liberals seem to find this funny, laughing at the opinions of the western farmers, but I can tell you that I think the farmers will welcome the prudent, thoughtful and I hope generous manner in which we are proceeding.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a supplementary question for the Prime Minister.

I do not think that farm women who bear intolerable burdens because of the poverty, the insecurity and the stress in their lives and the lives of their families will feel

that the approach this government is taking in delaying so long any kind of emergency help is the right way.

I want to ask the Prime Minister: How does he think that families can manage on $6,300 net income and feed their families? When will the government make a commitment and pay these emergency funds that families are waiting for and desperately need?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I understand, I think, very well the concerns in rural Canada, not just in western Canada but in Ontario, Atlantic Canada and Quebec. What we have been doing is working with the farm leaders in that area to bring about whatever assistance we can as a government in Canada. That means that we will have to, as the Prime Minister said, use every resource to address the need.

What we have to do, though, is understand that there was an announcement last summer of some $543 million that flowed. There will be another $1.5 billion that will flow before Christmas and $1.1 billion will flow after.

That being said, it still does not bring a return to the producers of grains and oilseeds in Canada any higher than the return they got 29 years ago in 1962.

We are going to be able to address it. I hope the opposition will support every piece of legislation and every necessity that this government puts forward to support agriculture, including helping to settle the strike at Thunder Bay which is harming agriculture in western Canada.

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Finance.

Canadian farmers are facing the worst financial crisis in a generation because the government cut support programs by $1.3 billion and has not provided any cash assistance this year so far.

The Minister of Finance has aggravated the situation because of his high dollar policy which is costing Canadian farmers over $400 million a year. When is the Minister of Finance going to help Canadian farmers? When is he going to lower the value of the Canadian dollar?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I do not quite understand the rationale for the question from my Liberal friend.

How are we going to lower the dollar? Is he suggesting that we arbitrarily set the price of the dollar? Are we going to say the price of the dollar is now 75 cents or 80 cents? Is that what they are suggesting?

I do not have a background in economics, but anybody who does thinks that that is an absolute asinine way to run an economy in a country.

As far as the assistance to agriculture is concerned, the hon. member knows that we have been working with the established groups. We have been working very hard over the last two years, first of all, to put in safety net programs and, second, to address the stupidity of the international grain war with the Americans and the European community. They are really, really carrying out a ridiculous war and harming Canadian, Australian, New Zealand and other farmers. Third, we are looking at ways of supporting the market. We are looking at ways of supporting our agricultural producers by allowing others who need our products the opportunity to buy them.

This takes some time, but I would say to the hon. member that the crop year that we are talking about is still under way. Corn is still being harvested in Ontario and grains and oilseeds have just been completed in western Canada.

Mr. Maurice Foster (Algoma): Mr. Speaker, every one of the farm established groups told this minister and told the government last spring that it needed at least $1.3 billion of emergency cash assistance last spring. The government has not provided one cent of that money.

After the Rosetown rally of over 3,000 protesting farmers last week, the minister said that he had no intention of providing emergency assistance to Canadian farmers. Last Friday the Prime Minister said that there is going to be aid. I want to know: Who is telling the truth?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the western Canadian, the Ontario and the Atlantic farmers know who is telling the truth.

They know who has been beside them since 1984. They know who has increased agriculture spending. They also know the assistance they got from his government when interest rates were 24 per cent and when farms were being foreclosed.

This government, since 1984, has assisted agriculture 650 times more than his government did. I say to the hon. member: When I was asked in Saskatchewan about aid being provided, whether there would be $1 billion for the province of Saskatchewan alone, I said: "No, that was ridiculous".

* * *

THE ECONOMY

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I have a question for the Acting Minister of Finance.

A recent study of our oil and gas sector said: "The appreciation of the Canadian dollar since 1985 has cost the producing industry a total of about $3.5 billion in lost revenue".

Our farm, pulp and paper, mining and other resource sectors have been devastated by the dollar which has gone up since 1985 successively. Many jobs have been lost. Farms have been lost. Which one of the options available to the Minister of Finance does he intend to take to bring the dollar down?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, it is interesting to hear from that side of the House the talk of high dollar.

Back in 1978 the dollar was at about 87.5 cents and today we are seeing interest rates at a much lower rate than back in those days. That is what we are trying to do: get inflation down, get interest rates down, and keep them down. That will allow our people to be more competitive.

I might remind the hon. member of a quote of Dennis Williams, chairman of General Electric Canada: "A lower dollar might make everybody's life a lot easier, but it is not the difference between winning and losing".

• (1440)

[*Translation*]

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my question is for the same minister. The pulp and paper industry in Quebec, and of course in the other provinces, is in danger. Hundreds of jobs have been lost in recent weeks because the Canadian dollar is overvalued. Will the Minister of Finance finally listen to all participants in the economy and bring down the value of the Canadian dollar?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I think, in the example that the hon. member gave in the pulp and paper industry, he knows full well that there is an oversupply in that particular industry at the present time and it is a competitive position.

Most economists will tell us here in Canada that it is not the high dollar where we are having our major problem. Where we are having it is in our lack of competitiveness. It does not have to do with the high dollar, but in fact they talk about the labour costs in manufacturing which have increased in this country by 28 per cent while our productivity has only risen 1.2 per cent.

For our major competitor, the United States, in the same period of time salaries went up 18.2 per cent, but at the same time its productivity went up 18.6 per cent. We have to be more productive in this country and that is why the Minister of Industry, Science and Technology is working so hard on this area with his colleagues and with the people of Canada.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact the person that we have been talking about throughout this Question Period, Thomas Courchene, professor of economic and financial policy at Queen's University, as well as a previous adviser to this government. He has said that the Canadian dollar and its increase has cost Canada two-thirds of our competitiveness against the United States.

Given this very strong criticism and given that Mr. Courchene has been a key adviser to the government in the past, will this government accept his recommendation to lower the dollar to 80 cents and cut interest rates to help our exporters right across Canada?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first of all let me correct the hon. member. Mr. Courchene is not an adviser to the Government of Canada. The second point that I make is that we have seen in the past where the Canadian dollar has gone down. It was 103 to 105 cents in the middle seventies and it hit bottom in the middle eighties at less than 70 cents.

During that time we did not get more competitive. We saw our standard of living slip.

If we look around the world today to the Japanese and the Germans, they have the strongest currencies. They have the strongest economies. I think the hon. member has to reflect on the fact that the level of the Canadian dollar is but one element of competitive position. If we only focus on that we are going to miss the boat because there are other elements of competitive composition such as the amount of research and development that is spent by industry, the amount of training that is done in the country, the amount of investment that goes into improving the productivity of companies, the competitiveness of our domestic market, and our ability to sell internationally into other markets in the world.

It is that combination which allows—

Mr. Speaker: It is time to move on. The hon. member for Essex—Windsor will put his supplementary question.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the minister talks about these other areas, but the failure of this government in those other areas has been just as great as the failure with respect to the high dollar policy.

Does the government not realize that it is time for it to act, or is it just going to let John Crow continue to run his high interest, high dollar policy until the economy of this country is completely ruined?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the statements by the hon. member are simply not supported by the facts, and he knows that because he is an economist himself.

The point that I think must be made here is that John Crow does not sit in his office pulling big levers to set the level of the Canadian dollar. We have seen since the end of May 1990 interest rates come down by nearly 6 percentage points. We have seen the spread between the United States and Canada come down by nearly 3 percentage points. Yet the dollar at the end of May 1990 was 84.60. Today it is 88.60. So how is my hon. friend going to explain the level of the Canadian dollar? He has a lot of questions to ask of himself.

YUGOSLAVIA

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is directed to the Prime Minister concerning the very critical situation in Yugoslavia.

The British Foreign Secretary this morning said that the European community has done all that it could to bring about a cease-fire in that country and has now asked the United Nations to intervene directly.

I want to ask the Prime Minister: What specific measures Canada will take today to help put an end to the bloodshed in Yugoslavia and to protect the people in Croatia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the position adopted by the European community today in regard to the United Nations is a position that the Government of Canada put forward to the Secretary-General of the United Nations exactly 10 days ago.

We believed at that time that this truce was unlikely to hold and as a result we felt it imperative that the Security Council be seized of this matter and that a peacekeeping force be invited in. Canada was ready to be part of that and I signalled that to the Secretary-General.

We believe that this would be a beneficial presence, as it has been around the world. There is no reason whatsoever for young Serbs and Croats to be dying in the interests of 18th century nationalism in Europe. That is a situation where the United Nations can intervene and can be helpful.

Mr. Axworthy (Winnipeg South Centre): I thank the Prime Minister for the answer.

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[*Translation*]

HAITI

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my supplementary is also directed to the Prime Minister. Unfortunately, all mediation efforts by the OAS delegation to restore democracy in Haiti have failed.

Last week, the Prime Minister said he was considering all options, including the use of military force, to ensure the return of democracy to Haiti.

In view of this commitment, will Canada recommend that certain measures used by the OAS? If so, what are those measures?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the OAS has already intervened substantially in the situation in Haiti, and on behalf of all members of this House, I would like to offer our congratulations to the hon. Barbara McDougall, our Secretary of State for External Affairs, who was there, representing with great dignity and courage the interests of the Government of Canada.

Some hon. members: Hear, hear.

Mr. Mulroney: Today, at the United Nations and through the Organization of American States, we are pursuing various peaceful solutions. I can inform the hon. member that we are also listening to what is being said by Haitians, and I would like to quote a comment made by President Aristide this morning, about his personal preferences: He said the following:

[*English*]

"We are looking for ways to liberate the Haitian people and military intervention is not one we even consider. The strategy of the Haitian people is more peaceful. We are looking toward economic boycotts, diplomatic boycotts".

This is the impression of the President of Haiti. It is a course he is prescribing for the Organization of American States and the United Nations and it is one that Canada will vigorously pursue.

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TREASURY BOARD

Mr. George S. Baker (Gander--Grand Falls): Mr. Speaker, contrary to what the minister told us in the House yesterday, an advisory group on executive compensation appointed by this Prime Minister--and I have the report--reported on December 15, 1986: "For the largest corporations we recommend that the top executives appointed by the Governor in Council be eligible for incentive pay of up to 25 per cent of their actual salaries".

• (1450)

Why have these executives been receiving bonuses of up to 25 per cent of their salaries since 1987 without public disclosure to the people who are footing the bill, the people of Canada?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, that committee the hon. member referred to was a committee established by the previous government as a way of coming up with fair and reasonable remuneration to the heads of Crown corporations and agencies and so on. As I offered yesterday I offer again: if there is a better, fairer way to do this, fairer to the taxpayers, to the corporation involved, to the people, we wait for the suggestion.

But again I repeat that as of the budget of last spring, everybody for the pay period starting after that budget will receive a zero per cent increase and, as the President of the Treasury Board said, in addition performance pay will be zero for heads of Crown corporations for that pay period.

If the hon. member is suggesting that we retroactively go back three or four years and recover these performance pay bonuses, let him say that overtly. I do not think that would be fair or equitable or in keeping with the budget statement made in the spring.

Mr. George S. Baker (Gander--Grand Falls): Mr. Speaker, there are also 10 and 15 per cent bonuses for government appointees. The former PC leader in Newfoundland, Mr. Tom Rideout, who has just been appointed to a board, will be able to receive up to about $10,000 in an annual bonus. No wonder there is a by-election in Newfoundland. Ed Broadbent, about $15,000; former cabinet minister Thomas McMillan, about $14,000--

Some hon. members: Oh, oh.

Mr. Baker: By what logic can the government justify paying bonuses to ambassadors and consul generals all over the world? Why, they don't even have to pay their rent. There is a bonus to the consul general of Los Angeles and to the consul general in Dallas. Why, even J. R. would be jealous of that.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, let me repeat for perhaps the seventh or eighth or tenth time in the last few days that for the pay period

commencing after the budget of last spring the bonuses will be zero per cent.

Let me repeat again the invitation I make to the hon. member, his party, or anybody else: If they can come up with a better, fairer way of establishing a remuneration for heads of agencies, Crown corporations and so on that will be fair to the taxpayers, that will ensure that the persons are remunerated based on what the rest of the economy gets, we wait for that suggestion.

In the meantime, because of the fiscal situation of the government, because of the example we want to set, their performance pay will be zero per cent. As we have said *ad nauseam*, it is zero per cent increase, zero performance pay for everybody.

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YUGOSLAVIA

Mr. John Brewin (Victoria): Mr. Speaker, I would like to come back to the Croatian issue and ask a question of the Prime Minister.

In view of the June referendum in Croatia in which 94 per cent approved independence, reaffirmed last night by a declaration of Croatian independence, and in view of the continuing violence by the Yugoslavian army in Croatia in addition to the measures already referred to in this House by the Prime Minister involving the Security Council of the United Nations in peacekeeping, will the government show leadership on this issue, first, by again strongly condemning the violence by the Yugoslavian army; second, by insisting that the Yugoslavian army withdraw from Croatia; and, third, will the government today commit itself to back up those measures with tough economic sanctions in concert with the European community?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I certainly agree with my hon. friend in one important area. The Yugoslav army is absolutely out of control and has caused extraordinary damage both to the Serbs and the Croats in Yugoslavia who have lived for some four or five decades in a state of peace and economic growth and prosperity in that country.

With regard to the question that he raised, on October 4 I wrote again—I think it was the third or fourth time—to the President of the Republic of Serbia and to the President of the Republic of Croatia making precisely and in the strongest possible language the points my hon. friend has raised.

In regard to the fundamental issue, the Secretary of State for External Affairs stated yesterday that Canada believes that the twin track approach agreed to on October 4 is the most realistic way to solve the crisis. This agreement provides for those republics that wish it to gain recognition in a framework of a general negotiated settlement that would protect minority rights, ensure against unilateral and forcible changes of borders, and provide for a loose association or alliance of sovereign republics.

This is consistent with everything that previous governments have stated in regard to a problem of this nature, and it is a case that we have vigorously made at the United Nations Security Council.

We are going to try again, both at the Security Council and with our colleagues in Europe, to make sure that there is an intervention because the violence and the killing in Yugoslavia must cease.

Mr. John Brewin (Victoria): Mr. Speaker, I thank the Prime Minister for the answer and ask a supplementary question.

The Croatian community in Canada, as well as other members of Parliament including the member for Burnaby—Kingsway, have been urging the government to move immediately on humanitarian assistance in Croatia, particularly in food and medicine.

Will the Prime Minister now advise the House that the government will move on humanitarian assistance routed through an independent Slovenia direct to the people of Croatia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have been in touch with the leaders of both the Serbian and Croatian communities in Canada. We have already committed humanitarian assistance to these peoples, and Canada is prepared to do more.

The edicts of the European community and the expression of will of the United Nations Security Council must be heeded. There is no reason whatsoever for sane men and women to tolerate a situation where an army is absolutely out of control and bringing death and destruction to an otherwise quite prosperous nation that was struggling for unity.

We hope that the intervention of the United Nations and/or the economic community will bring the parties together so that both Serbs and Croats can realize that

their destiny can be a peaceful and a productive one together.

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NATIONAIR

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Transport.

Last night on the CBC news, former employees of Nationair charged the airline with very serious safety violations.

We also learned, and I have a copy of the document, that for the very first time in aviation history a safety review of the airline was ordered by Transport Canada two weeks after a DC–8 Nationair crashed in Saudi Arabia on July 11, which killed 247 passengers including 14 Canadians.

I ask the minister: In light of the evidence presented last evening, will the minister immediately make public the findings of this special review so as to reassure Canadians and the travelling public that Nationair is safe to fly?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I have no hesitation in saying that Nationair is safe to fly. It has been complying with all recommendations that have been made occasionally by Transport Canada.

I think the member knows that the airline industry around the world is in very big difficulty. I do not think that allegations of this kind are profitable to Nationair or to any other industry, because Canada is still the country with the best safety record in the air.

Mr. Sergio Marchi (York West): Mr. Speaker, the minister obviously did not hear my question because I made no such allegation.

Now that the allegations of former employees of Nationair are in the public domain, given that his own department for the very first time in aviation history has issued a safety review, given the fact that he has said that Nationair is safe, and I am happy to hear that, and given the fact that a review has been put in place by this government, can the minister release those findings so as to reassure Canadians that what he has said today in the House is backed up by facts and information issued by his own department?

• (1500)

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I repeat that all recommendations which have ever been made by Transport Canada regarding Nationair or other airlines are always very scrupulously followed. We make sure that they have been corrected. Every time we receive a direct complaint from an employee, we keep the records confidential. It helps anyone who wants to make a complaint to do it in all confidence that the information will not be revealed and therefore he or she can be very open in their comments.

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GOODS AND SERVICES TAX

Mr. John Manley (Ottawa South): Mr. Speaker, recently the Minister responsible for Constitutional Affairs was quoted as saying that: "The GST was a matter of tax policy. It was a change in policy. It was not a measure designed to raise revenue".

My question for the government is this. If the GST was not intended to raise revenue, why is the government proposing a debt reduction account into which all of the GST revenue is supposed to be paid?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): The total amount of the GST funds will be put into the Debt Servicing and Reduction Fund so that Canadians can be satisfied that the full amount of the GST will be paid to service and reduce the debt. That I think is a principle which is fully supported by Canadians.

Mr. John Manley (Ottawa South): Mr. Speaker, if Canadians are going to be satisfied about reduction of the deficit and the debt, would the minister explain how Canadians are going to find this reassurance when the debt reduction account itself will be in a deficit of almost $27 billion this year and that after five years it will be in a deficit of about $122 billion?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): I think Canadians will be well satisfied by the fact that the Debt Servicing and Reduction Fund, plus the legislation to control spending increases to a rate of 3 per cent per annum, will get this deficit–debt problem under control. They will be reflecting on the fact that for 14 or 15 years prior to our taking office in 1984, it was a 14 per cent per

annum increase, compared to the 3 per cent per annum increase that we are legislating.

I can tell that members opposite do not like to be reminded of this, because that 14 per cent increase in spending means an increase in taxes and that is what--

Mr. Speaker: The hon. member for Halton--Peel.

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PAROLE BOARD

Mr. Garth Turner (Halton--Peel): Mr. Speaker, constituents in my riding are increasingly concerned about the justice system's ability to protect them. It seems criminals have more rights than victims and technical loopholes allow criminals to get off lightly.

I see we have new legislation today changing the corrections and parole system. My question is for the Minister of Justice. I would like to know what assurances she could give my constituents that these changes are going to address some of those fundamental concerns.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I will not go into the content of the legislation in the House. I would simply like to say to the hon. member that I share his concern.

The Solicitor General this morning did table legislation that will address concerns about parole by establishing protection of the public as the number one decision-making criteria for release of any offender from prison.

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BANFF NATIONAL PARK

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, the people of Banff National Park are waiting to hear when phase 3 of the highway twining project at Banff National Park will take place. Accidents and fatalities are still occurring at an alarming rate on this very dangerous section of the highway.

My question is for the minister responsible for Parks Canada. Will the minister agree to allocate funds from the 1992-93 budget for the continuation of the twining of this highway?

Point of Order

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I appreciate the hon. member's concern. The hon. member for Wild Rose has brought up this issue with us on many occasions.

Parks Canada is responsible for the maintenance of the road. It is Public Works Canada that is responsible for the construction. My understanding is that Public Works Canada is currently completing a major redevelopment of the Castle junction interchange in Banff National Park.

Furthermore, Public Works has just completed the design work for the twining of the section from Sunshine Village ski area road interchange to the Castle junction interchange.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members to the presence in the gallery of the Hon. Stephen Kakfwi, Deputy Government Leader, Minister of Education, Minister of Personnel and Minister of Aboriginal Rights and Constitutional Development of the Northwest Territories.

Some hon. members: Hear, hear.

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POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Steven W. Langdon (Essex--Windsor): Mr. Speaker, I want to raise as a point of order the question of Mr. Courchene.

In an exchange which took place between myself and the Minister for International Trade, the question came up as to whether Mr. Courchene had worked as an adviser to this government. We have just checked with his office. He worked on contract in 1986 as an adviser to this government.

Mr. Speaker: He may or may not have, but that is a question of debate and it is not properly a point of order.

Mr. Andre: Mr. Speaker, just to keep the record straight, the Minister for International Trade said that Mr. Courchene was not now an adviser to the government so he did not misinform the House.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN WHEAT BOARD ACT

MEASURE TO AMEND

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 100, I do now leave the chair for the House to go into Committee of the Whole.

The House resumed consideration in committee of Bill C-23, an Act to amend the Canadian Wheat Board Act--Mr. Mayer--Mr. DeBlois in the chair.

The Assistant Deputy Chairman: Order, please. The House again in Committee of the Whole to consider Bill C-23, an Act to amend the Canadian Wheat Board Act.

[*English*]

When the committee was interrupted at one o'clock p.m., clause 1 of the bill was under consideration. When the committee rose, the Chair took the proposed amendment of the hon. member for Lambton--Middlesex under advisement.

According to citation 698 of the sixth edition of Beauchesne, an amendment is out of order if it is irrelevant or beyond the scope of the bill. Bill C-23 seeks to amend only two sections of the Canadian Wheat Board Act, sections 19 and subsection 33.(1).

• (1510)

The proposed amendment reaches back into the parent act and seeks to amend section 18. Accordingly the Chair must find that the proposed amendment goes beyond the scope of the bill and is out of order.

Resuming debate on clause 1.

On clause 1--

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have a chance to put a couple of more questions to the minister. I must say in passing that it is unfortunate that the amendment proposed by the hon. member for Lambton--Middlesex was ruled out of order. It is unfortunate because it really represents the wishes of the vast majority of prairie grain producers.

The producers were appalled. There were votes by the Wheat Board Advisory Committee pummelling the minister. He has hardly recovered from it since, because he took oats away from the Wheat Board. It is a pity that the amendment is beyond the scope of the bill because I think even the minister, in retrospect, would say to himself and this House that he regrets having taken oats away from the Wheat Board.

Mr. Speaker, all you have to do is look at the annual report of the Wheat Board for 1989-1990 and you will see that when the minister took it away, he also took away the assistance that was available to those wheat and oat producers. You can see in 1989 the assistance available was some $26 million for oats and $2.688 million for designated oats.

Even the minister, if he could be totally candid here today and of course he carries the responsibility of office with him so he has difficulty doing that, would say it is a pity that oats and barley are not under the Wheat Board Act as the motion from the hon. member proposed.

The minister said he could not reveal what the debts of individual countries are. I recall when Lech Walesa was here and met with the standing committee on external affairs, a question was put to him by, I believe, the hon. member from Edmonton on our side of the House. He asked him what could be done that would assist Poland. This was at a time when it was going through a return to democracy. He replied that one of the greatest things would be if the government could forgo those debts for, I believe, $1 billion or $2 billion for wheat and food aid.

In view of that, I wonder if the minister can indicate a couple of things to me. First, have the Canadian Wheat Board and the Government of Canada actually forgiven any of the money owing under the Canadian Wheat Board Act. It would be interesting to know just which countries have been given that forgiveness. I would be interested especially to know in view of the representations made by the Prime Minister of Poland if the government did move on that recommendation or that suggestion. That was my first question.

My second question is this. I wonder if the minister today could indicate to the House the exact magnitude of the wheat pool account deficit for the crop year 1990-91 completed on July 31. I wonder if the minister could indicate the amount of that deficit. I note that in the

annual report one of the countries that obviously owes some of the $4.6 billion owed to the Canadian Wheat Board is Haiti. Has aid been cut off to Haiti because of the military coup which occurred there a couple of weeks ago and because of the decision by the Organization of American States to impose certain economic sanctions against that country? Could the minister respond to these three questions, including my question as to whether or not he still agrees that it is wise to have oats included under the Canadian Wheat Board?

Mr. Mayer: Mr. Speaker, I get quite a large charge out of the hon. member and the oats issue. This is really a red herring. I stand by the decision and there are all kinds of people in the industry who support that decision. In fact the hon. member should have been with me a week ago last Friday when I had the pleasure to cut the ribbon at a new oats processing facility in Portage la Prairie. It has the potential to process, once they are up to full capacity, something like 80,000 tonnes of oats annually. Now 80,000 tonnes may not mean a lot, but put it in this kind of context. There were years in the past when total exports out of Canada for all oats did not exceed 100,000 tonnes. Eighty thousand tonnes is somewhere in the neighbourhood of 20 per cent of the total production in Manitoba.

The significant thing about the announcement was that the president of the operation called Can-Oat Milling Products Incorporated said at the opening ceremony that there were primarily two reasons why this plant was being built, in addition to the transportation facilities and the quality of oats they could purchase in the area. First was the free trade agreement because they had better and more secure access to the American market and upward of 80 per cent of the product is going to move out of the country.

The second thing he said that made it more feasible was the fact that they could go out and contract directly and have more control over the raw product that they buy to make their various forms of oat products from.

For him to suggest that we are rethinking the oats decision is nonsense. He said I was going to have difficulty being candid. I am being very candid. I do not have difficulty in speaking about what I believe in. If he wants to be straightforward he should look at the drop in price of oats since, let us say, the crop year beginning August 1, 1989, which is a little over two years ago and compare it to wheat. He is going to find that in percentage terms wheat has dropped more. To suggest that because oats was taken away from the Wheat Board there has been a big drop in prices and that is the sole reason is absolute nonsense. If he wants to be more than candid, if he wants to be straightforward and do the arithmetic he will find out that is the case.

The other point I want to make is that oats on a volume basis was half of 1 per cent of the board's operations. That is how much it was. I think it was their 11th or 14th most important product as far as exports from the country, and by value it was probably closer to one-quarter per cent of what the board did. To suggest that oats has been a major crop and that it is causing all kinds of problems as far as producers are concerned is absolute nonsense and he knows that. He is just raising red herrings. We have more important things to talk about here than that. We have some serious problems in the prairies and in the part of the country that the hon. member for Lambton--Middlesex represents. We would be better off spending our time talking about how to solve some of those problems than to drag up things like oats.

He mentions Poland. Again, there has been no forgiveness of debt as I understand it. There has been some rescheduling as far as Poland is concerned. It is my understanding, and I could get him further details, that we have also offered them some consideration down the road as far as interest payments are concerned.

Other than that I do not think it is appropriate to comment very much on commercial arrangements. I mentioned that.

He also asked about the Canadian Wheat Board deficit. When the board has all its numbers done and is in a position to announce final payments --and I don't think it is any secret that there is not going to be a final payment in wheat this year--the board will announce all of the numbers. For me to speculate or to announce ahead of time is not appropriate. Starting in 1984 the government, myself namely, stopped announcing final payments. I said: "Look, we are going to announce initial payments because the Government of Canada guarantees initial payment. That is a government decision". When the board goes out and sells, that is as a result of its sales efforts so it announces the final payments. Good or bad, it has announced final payments every year since 1985 and I have no intention of changing that practice--which I would be if I were to announce a deficit prior to

all the calculations being done and the board announcing final payments.

• (1520)

If the Canadian Wheat Board uses the same timetable it has in the past, final payments will probably be available right at the end of this calendar year, or at the beginning of 1992.

With regard to Haiti, I don't know that I can say anything more than what has been in the news. I am not totally up to date because I think some of these events are happening almost as we speak. But we have done some business with Haiti. It is my understanding that there has been consideration by the UN of sanctions. I don't know where that is at. But to date, as a result of the unfortunate circumstances in Haiti, I am not aware of anything that we have been doing differently as a result of that situation compared to what we were doing a week or two weeks ago.

Mr. Foster: A couple of weeks ago the Parliamentary Secretary to the Prime Minister paper put forward in a newspaper article done by Carole Gour of *The Toronto Star* the idea of an international kind of reserve of wheat for food stocks especially designed to assist those republics in Russia that are facing starvation or serious shortfalls this winter. Some observers in the international food aid programs suggest that if there was an international arrangement for wheat reserves for food for starving nations that was well put together, the actual reserves available for cash sales would be very little more than what is adequate for the market around the world. Those reserves have been drawn down, I think to something like 22 or 23 days of supply.

I am wondering whether the Canadian Wheat Board or the minister's department are involved in any of those discussions. Was the parliamentary secretary, who comes from a wheat growing area, only talking in a general way about something that would be highly desirable in the world or was he was flying a trial balloon from the Prime Minister's Office? Just what is happening there? Have there been any discussions by the minister or the Wheat Board with international food agencies as to what kind of arrangements could be initiated? Clearly the situation in the world is pathetic when you look at the amount of reserves there are and the need for food aid assistance around the world, and then you look at world prices. It is just a disaster that the price of wheat is not at least where it was 10 years ago and not where it is today, which is about less than 40 per cent of where it was some 10 years ago.

I am just wondering if the minister could advise us or is this done entirely by the Department of External Affairs and not by his department. Obviously any serious calculations or international discussions at the end of the day would end up back with the Minister of Grains and Oilseeds and the Canadian Wheat Board. It is after all the agency which would have to provide those supplies and reserves required for some kind of international assistance and food reserve program.

Mr. Mayer: Mr. Speaker, I think the hon. member is referring to an article by Carole Goar in *The Toronto Star* I believe last week. I agree with the member when he says that the situation is absolutely deplorable around the world when you look at food reserves and the fact that we have the capacity to produce. We have all kinds of money being spent on subsidies, and yet more people are having problems feeding themselves. We end up with problems of farmers trying to stay in business. It literally boggles the mind.

We do I believe on a regular basis purchase something like one million tonnes of wheat a year. I do not know how we would compare to other countries but I suspect quite favourably. CIDA through its operations purchases something like a million tonnes of wheat a year, most of it from the Canadian Wheat Board, and some of it from the Ontario Wheat Growers, and other products as well.

There was some concern over Ontario soya beans. They have recently become eligible to supply. We do that. There is also on a voluntary basis the Canadian Food Grains Bank that is headquartered in Winnipeg. There are arrangements made where if a farmer wants to donate a certain number of bushels of wheat it will be matched by the government through CIDA. That is all the grain that is made available as far as development assistance.

Beyond that, again I have to agree with the member that this does not make any sense. I do not know where the member gets the 22 days. I think what he is talking about is 22 per cent of stock to reserve ratio.

Having said that, it is still a relatively small number compared to what it has been. It has been up as high as 30 percent, 32 per cent and 33 per cent, and now we are down in the low 20s, but even 20 per cent of 365 days is not much more than two month's grain supply. That is not, by any measure that I am aware of, an excessive amount and one would wonder why prices could not increase with that stock to reserve ratio being as low as it has ever been, maybe even historically.

Beyond that, I do not think the hon. Parliamentary Secretary to the Prime Minister was floating a trial balloon. He has had a long-standing interest in this area and has been active himself with the Canadian Food Grains Bank. There have been many suggestions that this should be something that could work.

If one has surplus that one cannot sell, every country has a share that it would put into some kind of a food reserve or a grain reserve. One would have to establish prices going in and establish rules coming out, and establish some kind of criteria for countries to be eligible, and to segregate countries that can afford to pay. Obviously, a country like Japan that is not food self-sufficient is in a much better position to pay than some of the countries in Africa.

Canada was, I like to think, the last country to comply, not only with the spirit but the intent of the last international wheat agreement that really collapsed in the middle 1970s. As a country, we have a pretty good record of trying to work with international organizations to bring about the kinds of things that we are all concerned about here.

We have been looking at almost anything and everything that we can do, bearing in mind the fragility of the GATT negotiations. The member would also be interested in knowing that there is some renewed interest in the International Wheat Council headquartered in London. There are things that I think many of us would like to see happen to the International Wheat Council, that it needs to be more than just a monitoring and a statistical collecting agency and that it should be able to take a more active role in proposing things like the hon. member is suggesting and that the parliamentary secretary has suggested.

In terms of a definite proposal, if there is a total walk away from the table at GATT, and none of us wants to think about it, then with all of these things that we have done some preliminary work on, we are going to have to pursue as many of them as we possibly can to bring some stability back to the international grain market.

Mr. Peter Milliken (Kingston and the Islands): Mr. Chairman, I do not mean to delay the proceedings, but I think the minister must share, at least to some extent, our disappointment in the fact that the amendment moved by the hon. member for Lambton--Middlesex was out of order.

I know that he would like to facilitate perhaps an opportunity for members of this House to express their views because I understand that a lot of the members on his side of the House realize the government made an error in removing oats from the Canadian Wheat Board.

• (1530)

The hon. member shakes her head. I think she realizes I am right. If she does not agree, I know some of her colleagues do. She should not look like that. She should agree with me.

Mr. Foster: She is being coy.

Mr. Milliken: She is being coy, as the hon. member for Algoma suggests. What I would suggest is that perhaps the minister could give his consent and with the unanimous consent of the House, the motion can be put. Then we could vote on it to see if members do favour putting oats back under the jurisdiction of the Canadian Wheat Board.

Mr. Foster: It would test the whole House.

Mr. Milliken: It would test the whole House, as the hon. member for Algoma says. I think the majority of members, even on the other side, realize that the government made a big blunder. Certainly Canadian farmers do. Apparently the price has gone down continuously since the jurisdiction was removed. Really it could not have been worse. I think the minister might want to see the error of his ways and change his vote and put this back in the bill.

I wonder if he would give his consent for that to happen?

Mr. Mayer: The hon. member makes a pretty convincing case. Unfortunately I am not so sure he even convinces himself of what he is saying. I appreciate his interest in agricultural matters, but I would suggest that if he wants to talk to the farm community, especially in the Province of Alberta, where the hon. member comes from, that produces, I think, 60 per cent of the oats in the country and about 80 per cent of the oats exported that that is where the decision should be made.

If the hon. member wants to talk about oats, I think he should talk to the producers involved. I would be very happy to take him to the producers who think this is the best thing that could have happened as far as oats is concerned.

There is no question that oats went down in price. I want to suggest to him that barley went down more in price than oats did over the same period of time after it was taken away from the board. Durum wheat went down considerably more in price. Milling wheat went down. They all went down because of international prices.

There have been cases where oats have been selling almost as high a feed barley, which is unheard of. Therefore, it is a pretty sticky wicket for us to get into philosophy on the floor of the House of Commons, when really we should be talking to farmers, which is what we did before we made the decision.

In conclusion, I would also point out that the one co-operative in western Canada that deals right across the prairies, in Manitoba, Saskatchewan, Alberta and the Peace River part of British Columbia, voted at their last annual meeting to remove oats from the Canadian Wheat Board. To get up in the House and suggest that there was unanimous opposition to what the government did as far as oats is concerned, is certainly not the case at all. It has been a good decision. It has been well received by producers. The results are there and we stand by the decision.

Mr. Vic Althouse (Mackenzie): Mr. Chairman, I am wondering if the minister with his officials would explain to the House what procedure the government goes through in its budget making to annualize the contingent liabilities for each year's budget? How does it arrive at what will be shown as a contingent liability that may cost the government some money for that year? Does it do it on the basis of what was lost the previous year? How does it present a more or less accurate figure to the House?

The reason I asked this is that in Part III of the agricultural estimates, the Department of Agriculture points out that deficits arising from sales on credit are relatively rare. We had a somewhat different opinion from the Auditor General who shows that on the contrary, over the past few years, according to him, significant payments have had to be made out of the Consolidated Revenue Fund. He cites 1986-87, where $208 million had to be paid and in 1987-88 more than $113 million. Then there was the interest on a delayed payment which, I presume, was made to the Wheat Board account where the pool account deficit amounting to $33 million for the year 1989-90 was not paid to the board until the following year. While we understand that the payments do go on occasion to cover that account or interest on accounts that the government was a little slow at paying, we know that the farmers are not supposed to be taking a slightly smaller payment because of delays and that the funds themselves are in fact are forthcoming. We know that happens.

How do we have it presented to us for budget purposes when the House approves a budget? Is it done on the basis of contingent liabilities that have proven to be a cost to the Consolidated Revenue Fund in the year before or is there simply an estimate made? If there are estimates, what process goes into the production of that estimate?

Mr. Mayer: Mr. Chairman, I will try to answer in two or three ways. First of all, I think there is some misunderstanding concerning contingent liabilities that the board has that are ongoing on behalf of the Government of Canada in deficits in the pool account.

The deficit in the pool account, and there was one I think four years ago of $208 million, $176 million of which was barley, a small one in oats and $23 million in wheat if my memory serves me correctly.

Once the pool period is closed, which is usually some time about now, the end of September or the first part of October--we would have to talk to the board to know exactly-- and if there is a deficit, the Government of Canada picks up interest on that deficit until the final payments are made.

The producers themselves do not have to take any less money in their final payment as a result of there being a deficit in the pool account, if the hon. member follows me.

If the member is talking about deficits or contingent liabilities, that is money owed to the Canadian Wheat Board by sovereign states, or at least by entities backed by sovereign states. If they are unable to pay, the board just borrows more money against that account for which the Government of Canada backs them. I hope that clarifies the difference between a contingent liability and a deficit.

If the member is asking how do we arrive at a number as far as a contingent liability, I think it is simply a matter of arithmetic. As to how we arrive at the levels of credit that are available to each country, we have a committee of ministers which look at various countries in conjunction with the board, looking at projected sales for a given period of time. Then we establish regular lines of credit that the board is able to use.

It is the same for other non-board commodities. The board works with the Export Development Corporation, EDC. Again, this is not concessional credit. This is commercial credit on reasonable terms. I think the most we have gone, as far as length, is three years.

This review process goes on on an annual basis. It is reviewed regularly each year. If there is a need to adjust for whatever reason, either up or down, throughout that year we have a provision made to have a turnaround quite quickly so that the system itself does not encumber the board, or anyone who is dealing with EDC for that matter, if they have an impending sale for which they need to have some adjustments in their over-all credit.

Mr. Foster: Mr. Speaker, I was very impressed with the minister's comments with regard to international co-operation. I do not want to even use the words international grains agreement because it has a bad history.

If the GATT agreement falls apart this fall and we do not succeed, it will be a disaster for everyone in every way, both in the supply managed industries and in the grains and oilseeds industry. It seems to me that there has to be room somehow for international co-operation.

• (1540)

In 1983 the price of a barrel of oil was about $2 and the price of a bushel of wheat was around $2. The oil producers around the world organized themselves and they are getting $20 or $23 a barrel for their oil. Canadian farmers and farmers around the world are getting only $2 a bushel, the same as it was almost 20 years ago.

It seems to me that if the GATT negotiations are not successful this fall, we need to look at ways in which we can co-operate in supplying food aid to the nations and peoples around the world, and some way of co-operating among the producers. As the minister has already indicated, we have something like a 22 per cent situation with 30 or 40 days of wheat in the world. I was very encouraged by his comments in that regard.

I hope there will be ongoing discussions in the Wheat Board, External Affairs and CIDA as to what kind of co-operation there could be on aid, perhaps at the international level with the trade ministers, as to what there could be in co-operation.

During the farm financial crisis this summer, one of the issues that has been raised time and time again by the Ontario Federation of Agriculture and the wheat, grain and oilseeds producers, the soybean and corn producers, has been that they do not have the same level of export credit arrangements that producers in western Canada have under the Canadian Wheat Board Act.

This is a very important issue for them. They have to go through the Export Development Corporation or some other agency of government which apparently does not have much flexibility and as much value to them as the Wheat Board has.

Granted, the Wheat Board takes possession. It sells the wheat. It is a much simpler type of situation, but it seems to me that in tight markets and in tight situations such as the one which we are facing now with the cost of production, with the cost of many grains and oilseeds at half or two-thirds the cost of production, that we should be giving every possible tool to these producers in eastern Canada.

I wonder if the minister is looking, since he is the Minister of State for Grains and Oilseeds for the entire country and not just for the Wheat Board, at improving those techniques and those instruments that are

available for eastern producers in marketing their grain in overseas markets both in terms of credit, forgiveness, flexibility and all the rest.

Has he been able to take any action on the recommendations and the representations made by those five groups in Ontario, the Ontario Federation of Agriculture, the commodity council, the corn producers, the soybean producers and the Ontario Wheat Growers Association?

Mr. Mayer: Mr. Speaker, the hon. member makes a good point with the last point he makes.

We certainly do not want to see one producer in one part of the country treated differently or have an advantage over one in another part of the country simply because of the way things are organized on his behalf.

We have, as far as CIDA criteria, made CIDA aware. It has agreed to use specifications when it tenders for oilseeds so that it can include soybeans and not just canola oil. I think that is a step in the right direction.

I have had a chance to meet with the Ontario Wheat Growers. There have been occasions when it has expressed concern about the matter which the member raises concerning aid. If it has some direct concerns, we will take them up and do the very best we can to address them.

People outside of the Wheat Board area—it would be the same for canola in western Canada and flax, for instance, that were to be exported which were not under the board—make sure where they can that the EDC is as accommodating with non-board sales as the Wheat Board is able to be with board sales as a result of government involvement. Having said that, it is maybe not that easy to accomplish but we have to work at it and make sure that where we can, we see that there is no difference.

I should point out that I remember when we signed a long-term grain sales agreement with Egypt four or five years ago. The Canadian Wheat Board signed it but Egypt had an interest in Ontario wheat. At the ceremony, we had Bob Holmes who was president of the Ontario Wheat Growers at the time, make sure that Egypt knew that while the Wheat Board was signing a long-term grain sales agreement, there was interest in other parts of the country in selling to Egypt. We had an opportunity to see that the Ontario Wheat Growers were represented at that signing ceremony.

I would also point out that the $150 million line of credit that has been offered to the Soviet Union has been there for some time now. There has been interest in Ontario corn as far as that line of credit is concerned and I think that will be the major grain that will be involved in terms of that line of credit. There is an example where Ontario corn growers will be able to take advantage of a specific line of credit that again should help producers.

The member makes a good point. Other than offering him and other people in Ontario who are exporting our full co-operation and being as accommodating as possible, I do not know what I could do.

I should point out to the member and I am sure he is aware, that when we assumed office in 1984 one of the first things we did as government was to host a meeting of the five major wheat exporters, namely the United States, the Community, Argentina, Australia and ourselves. We hosted that at Whistler on the west coast. There was a second meeting, a follow-up, that the Americans called. We very much wanted to see if there were ways to co-operate, not to necessarily form a cartel but a way of seeing that if we are going to compete that we do so in a rational basis so that everybody benefits.

I do not think consumers of grain around the world are going to benefit if in fact prices that they pay farmers to produce that product are so low that the farmers go out of business. We very much wanted to continue that dialogue. Unfortunately after the first two meetings, the one that we hosted to get the meetings going in Canada and the one we had in the United States, nobody has seen fit to call another meeting.

One of the things we have been thinking about is to try to get another meeting like that going. I think we are going to have to wait until the GATT process concludes either successfully or unsuccessfully, but I certainly think there are ways in which we can co-operate. One of the things we are going to be encouraging the International Wheat Council to do is to take a more active role and do something other than simply collecting and disseminating statistics. I think it has a role to trying to work with various countries and do the things that the member

referred to as far as bringing stability to the international grain market.

The Chairman: Shall Clause 1 carry?

Some hon. members: Agreed.

Clause 1 agreed to.

The Chairman: Shall Clause 2 carry?

On Clause 2--*Deductions from Receipts*

Mr. Maurice Foster (Algoma): Mr. Chairman, as I read clause 2, section 33, this will provide authority for the Canadian Wheat Board to close its pool accounts each year and distribute the final payments to producers prior to repayment of the principle and interest owing by the purchasing country.

Does this in any way change the existing arrangement where it was strictly a letter of comfort from the minister, where there was actually no legal authority for the loan guarantee or the parliamentary authority? It seems to me that this is a very crucial part of the whole arrangement for this Bill C-23.

Could the minister comment on that.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Chairman, the amendments to section 33 are in one sense connected and in another sense not connected to the letter of comfort. The Auditor General simply said in paragraph 3(12) of his 1990 annual report that the board's practice is to make final payments on sales made during the pooling period or the crop year regardless of whether the grain is sold on credit. His concern was that if the grain had been sold on credit and the credit had not been repaid, there was some question as to the legality for the board to make that sale. All we are doing is amending section 33 to say that once the credit has been provided and the board has made the sale and all the conditions of the sale have been met, including acceptance of the credit provisions and the terms have been agreed to, that the board is then in a position to go ahead and make final payments out of the pool.

• (1550)

This in no way changes the pooling system or the pooling practice. It just satisfies the Auditor General that we are in a position of being able to administer this section with a better legal foundation and better authority from the House of Commons.

Mr. Foster: In this arrangement, the credit that the Canadian Wheat Board operates under is charged to the producer up until the moment of the sale. Once the sale takes place, if the whole thing is a credit arrangement, then the credit of the sale from that point forward is charged to the purchasing company or the purchasing government.

Regardless of where the credit is being charged, whether it is being charged back to the producer or being charged to the purchaser, the pool is closed and the funds distributed among the producers in proportion to what they have produced. Is that right?

Mr. Mayer: Mr. Chairman, let us just take a hypothetical case. The board has arrived at a price with a customer and they have agreed on the amount of grain and where it is going to be delivered and the customer needs some credit.

The board then goes to the banks, credit unions, trust companies and issues its own paper in order to raise those funds. It does not ask the country or the customer to raise the funds. The board itself borrows the money so that the board can repay the producer for his grain. I hope the hon. member understands me.

There is no question of money not being available to the producer. This amendment provides for a little firmer legal basis for the board to continue the present practice. So it is not a question of any money either going or not going to the producer. It is just a question of having a better legal basis under which to continue present practices.

The Auditor General was concerned that when the board went to banks or to the market to raise money, which it can do now, there was some question as to whether the final payment could be made when payment in full by the customer had not been made.

What we are saying is that as long as the credit is there and the banks have advanced the money to the board to pay the producers and those credit arrangements are in place, the board has a better legal basis on which to operate and continue the present practice.

Mr. Foster: Mr. Chairman, I have one short question. Because the cost of the debt is spiralling up by $300 million a year so that it is now at $4.6 billion, there must

come a point where the debt is hopeless and is written off.

Clearly, the banks got a sweetheart deal from the government when they were writing off their debts in Latin America. Surely, many of these impoverished countries are hopelessly unable to pay for food. It is like trying to pay for a grocery bill when the food has already been eaten. I am wondering whether the government has any plans to write off these debts. I suppose the Minister of Finance is rather gun shy about doing that because it would show an increase in his deficit, which they are very sensitive about since the government's outstanding debt of the country has doubled in the last five or six years. I am just wondering if it really presents a realistic situation for the Canadian Wheat Board to be carrying deficits of $4.6 billion on annual credit arrangement of 20 or 25 per cent of its sales.

Mr. Mayer: Mr. Speaker, I just say again that while the debt shows in the Wheat Board annual report, it is guaranteed by the Crown and therefore it is really not a debt that would be attributable to the Canadian Wheat Board because the government backs it. It means that the Canadian Wheat Board, at the end of the day, is not going to be called on to make that payment. It could not do that because the Wheat Board, outside some asset in its office building and some hopper cars, really does not have any assets.

It is our view that these debts are sovereign. They are owed by sovereign states. They are fully collectable. If in fact there is going to be any rescheduling or, as the member refers to, sweetheart deals, writedowns, standstills, then that would have to be done as part of an over-all rescheduling package I would think involving many countries.

To date the only one that I am aware of—and I think the details are public; we could certainly make them available if the member is interested—is what happened with Poland. There was I believe a standstill on some of the interest down the road but nothing has been, it is my understanding, written off or viewed as uncollectable. It is all looked at as being collectable pending further arrangements.

Just to emphasize again, while it shows up on the board's books as a big number, it is not at the end of the day the kind of money that the Wheat Board itself or the producers would be involved in. It is the Government of Canada, the taxpayers of the country.

Clause 2 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

* * *

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Monday, October 7, consideration of the motion of Mr. Mazankowski that Bill C-18, an act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Court of Canada Act, the Unemployment Insurance Act, the Canada-Newfoundland Atlantic Accord Implementation Act, the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and certain related acts, be read the second time and referred to the Standing Committee on Finance.

• (1600)

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I want to say a few words on Bill C-18.

To begin with, this bill is very difficult to read. It is like a telephone book. One would have to be a Philadelphia lawyer to understand most of the language, the way it is written.

However, there are two areas that I want to bring to the attention of the House which I think are of concern to every member of the House. I am referring to those sections which deal with tax credits for individuals who may have a disability.

When the Minister of Finance first revealed his budget earlier this year to the House and to the Canadian public, there were certain provisions made that on the surface would be of great benefit to a number of people who have disabilities. Many of these proposals are welcomed by myself and by those individuals I speak of.

There are a number of changes to the Income Tax Act which certainly need some clarification. At the present time for an individual to qualify for a tax credit or a tax benefit under existing legislation, the definitions are fairly clearly defined by regulation. The new language that the House is considering at the present time is not clear to me. It certainly must not be clear to people who

are heavily and directly involved with the disabled community in Canada, some of whom I have spoken to in the last couple of days.

This is very technical and I do not want to bore people, but under section 89, subsection (3), there is a section here that deals with attendant care for individuals who are severely disabled and require an attendant to be with them to offer assistance that may be required.

As I read the initial proposal by the Minister of Finance dealing with this subject, it was my impression that the government had finally listened to presentations that had been made by the House of Commons Standing Committee on the Status of Disabled Persons and then subsequently by a new committee, the House of Commons Standing Committee on Human Rights and the Status of Disabled Persons. For the last 11 years they have been making the argument that the provision of attendant care to a person who requires it is extremely important if we are to assist that individual to participate in the mainstream of Canadian life.

When I read the actual legislation it does not say any such thing. What the legislation appears to talk about is the tax relief that will be given to the attendant and the individual if they travel to a place that is not less than 80 kilometres from the locality where the patient dwells to obtain medical services. That is not what either the disabled community or the standing committee has been arguing for all those years.

The legislation is still addressing the need for attendant care on a medical model. Many of the individuals who have addressed this committee over the years do not suffer from a medical condition. They happen to be disabled. This provision is not going to satisfy the needs from that very large group of Canadians who have that form of disability. That is one area I wanted to bring to your attention.

Another area that gives me great concern is under section 91 of this act. Clause 91 replaces the existing definitions of what constitutes a disability. I will read the section that is being replaced into the record for individuals who may not be able to or cannot get access to this particular act within the next few days. This is what it says it is replacing, and this is the present definition:

> (a) a person shall be considered to have a severe and prolonged impairment only if by reason thereof he is markedly restricted in his activities of daily living and the impairment has lasted or can reasonably be expected to last for a continuous period of at least 12 months; and
>
> (b) the Minister may obtain the advice of the Department of National Health and Welfare as to whether a person has a severe and prolonged impairment.

That has worked fairly well over the years, but now it is proposed that we have a new provision to define disability and impairment. I want to read that out for the record. The new section under clause 91 on page 218 of this proposed act reads:

> (a) an impairment is prolonged where it has lasted, or may reasonably be expected to last, for a continuous period of at least 12 months;
>
> (b) an individual's ability to perform a basic activity of daily living is markedly restricted only where all or substantially all of the time, even with therapy and the use of appropriate devices and medication, the individual is blind or is unable (or requires an inordinate amount of time) to perform a basic activity of daily living;
>
> (c) a basic activity of daily living in relation to an individual means
>
> (i) perceiving, thinking and remembering,
>
> (ii) feeding and dressing oneself,
>
> (iii) speaking so as to be understood, in a quiet setting, by another person familiar with the individual,
>
> (iv) hearing so as to understand, in a quiet setting, another person familiar with the individual,
>
> (v) eliminating (bowel or bladder functions), or
>
> (vi) walking; and
>
> (d) for greater certainty, no other activity, including working, housekeeping or a social or recreational activity, shall be considered as a basic activity of daily living.

As I read that new definition, that is going to exclude literally thousands of Canadians who have a mental impairment. By "a mental impairment", I am talking about an individual who is developmentally handicapped, who is quite capable of dressing oneself and of communicating with some difficulty in some cases, but primarily able to communicate, having all the employment opportunities in the present models that we have of sheltered workshops. This individual, probably without skilled

training of some degree, would not be able to enter what we would normally call the normal work force.

Those individuals who are presently on disability pensions, either under provincial legislation or with assistance from the federal government, would be excluded from being eligible for any relief under the tax regime if this goes into place.

• (1610)

I want to be fair, and as I said in the beginning I am not a lawyer. The wording as it is presently says to me that those individuals who are currently under existing legislation eligible for tax relief will be excluded under this new provision.

I would urge the legislative committee which will be examining this legislation in detail, and I hope will be calling witnesses and allowing them to appear before that committee, to put these sections I have referred to under strict scrutiny.

If we do not, it seems to me that we will be doing a severe injustice to a large number of Canadians who are least able to defend themselves. It seems to me as parliamentarians we have a clear responsibility in that regard. That is to at least lend some assistance to individuals who are least able to help themselves.

Several weeks ago the government introduced with great fanfare something I welcome as an individual who has been involved in issues of concern to the disabled community in Canada for some time. It was a five-year strategy. The strategy in and of itself has been a long time coming and has been welcomed. We are not sure how that strategy will be implemented over the next five-year period, but that is something we can argue about both in committee and in the House.

The point was that the government took an initiative that has been a long time coming.

If that strategy is to be designed to allow and assist disabled individuals to enter the mainstream of Canadian society, these provisions I just referred to in the Income Tax Act are going to negate any improvements that were promised at the beginning of September.

I could take the opportunity and make the argument that a whole number of government initiatives over the last several years have been harmful to the disabled community: cutbacks in the Canada Assistance Plan, cutbacks in funding for housing programs and cutbacks for post-secondary education.

I could make these arguments, but I will leave that for another time. I do not want to enter into partisan debate because I think it would detract from the arguments I am making about those sections under the Income Tax Act as we see them.

I do not want to take too long and I do not think I have to in order to belabour the argument but I seriously ask the House that when those members on that legislative committee review this legislation, they pay a great deal of attention to those two or three sections which I think are detrimental to the people who we are trying to assist.

Mr. Lyle Kristiansen (Kootenay West--Revelstoke): Mr. Chairman, while it is certainly not my intention or that of my colleagues to drag this debate out unnecessarily, there are, while we still have a bit of time this afternoon, a few points that I would like to raise.

The bill before us, Bill C-18, does a number of things, some good and some not so good. One of the items that I noticed has to do with some changes for taxation for persons who benefit from the Older Worker Adjustment Program.

Programs for the older worker's adjustment income will become taxable the same way as unemployment insurance income now is. We are aware that we will not change the government's mind on this particular proposal within the bill but a moral argument could be made that some of these people, especially those former employees of Route Canada, some of my own former fellow workers at Kootenay Forest Products in Nelson, British Columbia and others have suffered more than their share already as they have seen their operations close down.

Some of the closures are due to actions of the federal government and others are due to actions of a provincial government. They are not simply decisions within the private sector.

They have suffered more than their share already and, being wage earners, many of them have paid more than their fair share of taxes already. We do have to ask: Why should their income be fully taxed when, for instance, capital gains are only taxed at 75 per cent? In that regard we wonder, if someone who earns $500,000 from capital gains only has to pay the capital gains tax on three-quarters of that amount, then why is it that a long-time worker who has seen his operation shut down and has lost his livelihood through no fault of his own and gets a

meagre $100 or $200 extra a month in pension benefits as a result of the Older Worker Adjustment Income Plan is taxed on the basis of 100 per cent of those earnings? There does not seem to be much equity there.

There are two ways we can look at the matter of taxation. One is the tax system and tax changes themselves, and the other is some of the things that the government spends its money on. I found it rather interesting, at a time when the government and the finance minister are talking about the need for restraint and additional tax measures in order to pay for the operations of government, that we have some of the kind of spending going on that still continues.

I refer now to an item that was in today's *Quorum* from *The Montreal Gazette* of October 8. The headline is:

> Taxing Subject Matter
>
> In time of government restraint, how much do we need to know about eunuchs in imperial China?

It is datelined Ottawa. It reads:

> At a time when the government is paring services, it is spending $15,435 to finance a study on eunuchs in imperial China, with special focus on the 10th to 14th centuries.

That makes it even more vitally important if you look at the timeframe.

It says:

> As it is freezing public service salaries, the government is spending $305,070 toward its continuing financial backing of a private project to assemble a dictionary of old English, or rather, auld English.
>
> Among other projects Canadians are helping finance through taxes like the GST are a study of the modern American diet ($27,700), an analysis of criminality and religious charity in 16th century Bologna--

That is really vital to the welfare of the Canadian taxpayers.

> --and a look at the late prehistoric archaeology of the Ha'apai Islands in the Kingdom of Tonga ($80,318).

These are just a few of 680 scholarly projects supported in the fiscal year 1990–91 by the Social Sciences and Humanities Research Council of Canada funded by this government. That agency, created under the Secretary of State Department in 1977, handed out some $82 million in 1990–91 which is up from $75 million the year before.

The president of the agency says:

> --the federal spending squeeze meant 473 projects worthy of support had to be turned down.

That is really a shame. I wonder about those kinds of projects. At this time of fiscal restraint and when the government is imposing new taxes on Canadians, what are the gems that we missed out on in the last little while?

These are some of the spending priorities that this government obviously has and at the same time it is making some other tax changes.

I want to refer back to one that makes these other ones seem rather minuscule because this one has to do with forgiving perhaps billions of dollars of revenue from some of the richest families in Canada.

The finance minister would have us believe that he scrounged around to find every possible source of funds that could possibly be put toward deficit reduction. I am quoting at some length here from an article in *The Globe and Mail* from last March 13:

> But few Canadians are aware that just before his deficit-slashing budget last month, Mr. Wilson's own department quietly gave up a source of potentially billions of dollars that were scheduled to come into the national treasury beginning in the next 21 months.

• (1620)

This change does not appear in the bill currently before us, but we are expecting it momentarily. The government has suggested that it is coming. In many ways this is a major measure of tax forgiveness to the wealthiest families in Canada, which it has been attempting to sneak through over the Canadian people at the same time that we have a cap on social spending arrangements with the provinces and people on welfare and social assistance and small children are not getting enough to eat. This assistance which cities across Canada are dependent upon and many other vital programs all members have agreed are vitally necessary for the welfare of the people of Canada but are being cut back and slashed.

The Public Service on which we depend for the delivery of many of our programs is being told that it will get zero and zero, unless its members are willing to give up either their jobs or the jobs of their fellow employees.

Coming back to this matter of changes dealing with private trusts:

> The money would have come from the richest families in the country as part of an overhaul of the tax system worked out two decades ago. It would have come from the private trusts of these families--storage places for great wealth that are almost entirely shielded from the public eye.
>
> While considerable information is publicly available about the income and assets of individuals and public corporations, almost nothing is known about these private trusts. So, although the owners of the private trusts have long known that they would owe major taxes starting in 1993, the general public was unaware.
>
> Not surprisingly then, nobody paid much attention on February 11, 1991, when the finance department issued a dull press release No. 91-018 about some seemingly technical matters dealing with family trusts.

I want to go on a bit, because it is about time that some people realized just how this government is taking them for a ride.

> Behind the technical language, release No. 91-018, in fact, announced the government's intention to introduce a generous new loophole that would allow the deferral of a fortune in taxes.
>
> Only two weeks later the then Finance Minister was on his feet in the House of Commons declaring an all out assault on the deficit. While many Canadians listened apprehensively to the minister's speech, the owners of the private trusts undoubtedly breathed a little easier knowing that although times may be tough, the government had at least spared them.

The story behind this press release and the action it refers to begins back in 1972 when the Liberal government of Pierre Trudeau introduced some fairly sweeping reforms to the tax system.

One of the items was the removal of the federal inheritance tax. That action resulted in a lump sum gift of about $12.5 billion to rich families, according to calculations by University of Toronto economist, John Bossons.

> The extent of this windfall for the wealthy was actually far greater over time, since it removed the inheritance tax on future accumulations of wealth, including the enormous increase in private fortunes in Canada during the 1980s.

To partially offset this loss of revenue, the government introduced, as part of the 1972 reform, a partial tax on capital gains, a key source of income for the very richest among Canadians.

> Up until 1972, capital gains, that is the profits made on the sale of assets, such as stocks, bonds, jewellery or real estate, had been tax free.
>
> Although the Royal Commission on Taxation had recommended in the late 1960s that capital gains be taxed at the rate as other income, the government apparently viewed this as too punitive for the well to do and opted instead to tax capital gains at only half the rate applied to other income.

Now who says our governments have not had a heart?

This was a Liberal government and it is known to have a heart. This is the kind of heart it had. Now this Conservative government wants to make the matter even worse and extend these same privileges for another 21 years.

> The other special treatment capital gains were to receive was that they would only be taxed when the asset was sold. Its owner could hold onto it for 50 years or more as its value increased, but no tax would be paid until it was actually sold. Stocks could be passed from one generation to the next, thereby permanently avoiding tax.
>
> To prevent huge family fortunes from permanently avoiding tax in this way, the 1972 reform package specified that any increase in the value of an individual's capital property would be taxed as capital gains at his or her death, whether or not the property was actually sold.
>
> But private trusts seemed to provide a nice escape clause. By putting assets into a private trust which never died, they would not be taxed when their owner expired.

The Trudeau government set a time limit of 21 years on this. At the 21-year mark, any increase in the value of assets held in the trust would be subject to tax as capital gains. So, Mr. Speaker, justice would finally prevail. That 21-year mark, though, was coming due on January 1, 1993, just in time to provide some badly needed revenue for the federal government's deficit-ridden coffers.

The government, however, created a new loophole that would allow family trusts to put off the payment date well beyond 1993. Proposed in the aforesaid press release No. 91-018, the loophole allows wealthy families in almost every case to choose to put off payment until their youngest child dies, delaying taxes for another generation or more.

Tax experts generally agree that a dollar of tax deferred is a dollar of tax saved. It amounts to tax exemption, because the money saved, if properly invested in the intervening years, multiplies in value.

Release No. 91-018, for all its dry, technical jargon, is the government's signal to wealthy families that it intends to give them an enormous gift. It has done this in a very furtive manner.

It chose, for instance, not to announce the change in the budget. A change of this magnitude would usually be announced and some estimate of the lost revenue would be provided.

The finance department has resorted to some specious arguments. For instance, it says in its press release that the 21-year rule might interfere with trusts established by parents for the benefit of their disabled children. How many wealthy families happen to have disabled children? Undoubtedly a small fraction.

And those families who do would undoubtedly have structured a trust differently to provide the child with an ongoing income rather than a lump sum capital gain at a point far into the future.

The government says its new rule will prevent assets from being transferred from one trust to another tax-free. This is a red herring, however, since other tax laws already prevent such tax-free transfers.

Considering the seriousness with which the Conservative government views the deficit, it could have toughened the rules on family trusts instead of easing them.

Canada could have followed the example of its free trade partner, the United States, which is not known for being tough on the rich. But it has tougher laws about this sort of thing than Canada does.

Some time in the very near future, Mr. Speaker, we expect the government will try to pass its proposed new change quietly into law. It will present the change to the House of Commons in the form of a legislated amendment and hope that the few MPs and members of the public which will be watching will have little awareness of the money at stake.

And then, of course, it will return to the pressing matter of reducing the deficit.

I said that the bill now before us does not contain the provisions outlined in the government's press release 91-018 but we do know it is on the government's agenda. I would ask those members opposite: how can they possibly justify some of the increases in taxation on ordinary Canadians, who already pay more than their fair share, which are proposed in this legislation and in the budget and all of the other measures this government has brought before us, at the same time as they are quietly prepared to hand out billions and billions of dollars to the very richest Canadian families. We are not talking about those who are well off, we are talking about the super-rich in this society. Why do they need charity when permanently laid-off workers who receive meagre benefits from the Unemployed Workers Adjustment Program need to have an increase in their taxation as a result of this bill before us.

It is socialism for the rich and free enterprise for the poor, as some people have called it. That is exactly what it is. I do not expect this government to have a change of heart, but I do wish it would stop smiling about the deceit which it has been peddling to Canadians about the sacrifices that ordinary Canadians have to make, while the richest among our citizenry continue to get billion-dollar handouts from this government.

• (1630)

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ottawa Centre--Farm Credit Corporation; the hon. member for Don Valley East--National Unity; the hon. member for Scarborough--Rouge River--Correctional Service Canada; the hon. member for Mackenzie--Agriculture; the hon. member for Saint-Boniface--Student Loan Program.

Question and comment period, the hon. member for Kingston and the Islands.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I was pleased to hear the hon. member for Kootenay West--Revelstoke speak and rewrite taxation history in Canada in his very colourful way. He certainly explained his views of Canada's tax structure and the way it has evolved in the last 25 years in a very thorough and all encompassing manner.

I want to solicit his views on a particular issue. He talked about the evils of the capital gains tax and the way that former governments had applied that tax. As he indicated, and he is quite correct in this, the government at the time imposed a tax on only half of capital gains. In other words, half the capital gains earned by an individual were exempt from any form of tax. They previously had been completely exempt. One of the other exemptions that the government of the day made was to exempt one's principal residence from the application of the tax.

None of these was particularly recommended as I recall by the Carter commission whose slogan was: "A buck is a buck is a buck", and proposed taxation on all dollars however earned. He seemed to imply in his remarks that he supported the Carter commission in its report.

Does the hon. member advocate taxation of capital gains on principal residences as part of the policy? Is that part of the New Democratic Party's program for revamping the taxation structure in Canada? And does he take the view that only the wealthy own homes in Canada, only the very rich, the most select few who pay capital gains tax, which again he implied in his remarks? If so, I suggest that his view is misleading and deceptive to Canadians.

I would like him to become clear and tell the House whether or not he supports the imposition of a tax on the gains realized on the sale of one's principal residence.

Mr. Kristiansen: The answer briefly stated, Mr. Speaker, would be no, not unless there are very serious restrictions on the amounts involved.

What we are talking about here, and going back to the Carter commission, is the need for a fair taxation system in Canada and a taxation system which is seen to be fair. It can be argued in many circumstances, because it is not a perfect world, that there is a need for exemptions from certain types of taxation in specific circumstances to meet a whole variety of very important personal and collective societal needs.

What we say is wrong is when we have a taxation system that again and again and again accords understanding and sympathy to the richest among us when we are not prepared as a government—at least that government and often the government that preceded it—to show that same kind of understanding, sympathy, common sense, equity and sense of fairness to the poorest among us or those average Canadians who work hard and already pay more than their fair share which the Carter commission well catalogued and which many members on all sides of this House catalogued again and again and again.

Let us have some equity, let us have some fairness and treat those who are in the middle and those who are the poorest at least as well as we treat proportionately those who are at the top of the income ladder in this society.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

Mr. McCreath: Mr. Speaker, on a point of order, I think you would find unanimous consent to suspend the sitting until five o'clock p.m.

The Acting Speaker (Mr. DeBlois): Do members give their unanimous consent?

Some hon. members: Agreed.

Mr. Milliken: Mr. Speaker, of course, we are very happy to give our consent to the arrangement.

I want to point out that we have made great progress today. Three government bills have been passed, two through all stages and one at second reading.

I just want to make it very clear that when we next hear from the government about obstruction or delay tactics on the part of the opposition, we hope it will refer to today's events as an indication of the excellent co-operation that was forthcoming from the opposition.

SITTING SUSPENDED

[*Translation*]

The Acting Speaker (Mr. DeBlois): The business of the House is therefore suspended until five o'clock this afternoon.

At 4.36 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 5 p.m.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

Mr. Guy H. Arseneault (Restigouche—Chaleur) moved that Bill C-211, an Act to amend the Unemployment Insurance Act (temporary community service) be now read a second time and referred to Legislative Committee A.

He said: Mr. Speaker, I have the honour and the privilege of leading off the debate in this House on a Private Members' Bill which I sponsored and whose purpose is to amend the Unemployment Insurance Act.

As you may know, Mr. Speaker, section 14 of the Act prevents people who are obliged to perform their civic duty, for instance as members of a jury of members of emergency teams, from receiving unemployment insurance benefits if they happen to be unemployed.

I am sure you will agree this is absolutely unfair and that many people are caught in a bind in such cases. Mr. Speaker, I think this section contradicts the intent of the Unemployment Insurance Act. Thiis legislation was passed more than 50 years ago to provide income security for all Canadians, not to punish them when they have to perform their civic duty.

[*English*]

The object of Bill C-211 is to amend section 14 of the Unemployment Insurance Act to ensure that persons in temporary service to the community, as jurors or emergency workers, are not regarded as disqualified from a benefit merely because of their participation in such an activity.

At present, anyone performing their civic duty while collecting unemployment insurance benefits is penalized by the federal government for no valid or obvious reason. Anyone performing jury duty for more than two days will not be eligible for benefits since the law considers that they are not available for work. Although jurors are usually granted a stipend for expenses incurred while performing their duties, anyone submitting unemployment insurance claim cards to receive the difference in UI benefits will receive nothing. I guess to explain it a little better I will refer back to an individual case in my riding that I am quite well aware of that made the media quite extensively in Atlantic Canada. It came to my attention because it involved a constituent of mine.

At that time that I was referred to this case I thought it was a misunderstanding and so did the person in question. We came to find out that the regulation is in fact there. The best way of explaining it, Mr. Speaker, is to read this letter which I received from my constituent that she also forwarded to members of the media in the form of a letter to the editor. It says:

> Dear Sir,
>
> In September I experienced the luck of having been laid off after paying maximum unemployment insurance premiums for the past 25 years.
>
> In November I experienced the luck of having been selected as a juror for the murder trial recently held in Campbellton. The mental stress of trying to absorb nine days of testimony and summations was emotionally draining.

The added stress I would also assume is that she was on unemployment insurance benefits, or so she thought and obviously at a reduced salary with no work and not able to look for work.

I am sure that if she knew she was not eligible for UI, her stress level would probably have been that much higher. I quote again from her letter:

> At the conclusion of the trial I requested and was given a letter which stated the days I had been present in court and the amount of money that I would receive from the court. I mailed this letter along with the UI card on November 27.
>
> In December I received a letter from the Unemployment Insurance Commission informing me that I was disqualified from unemployment insurance benefits for the two weeks in question as I had not been available for work.
>
> I immediately telephoned the letter-writer to register my disbelief only to be told that I had not been available for work and that there were no exceptions for jurors.

She goes on to state:

> My tax money helped pay the salaries of the participants in this case, including the RCMP, the prosecution staff, the public defender, the sheriff's department, the court staff, and not to mention the room and board of the prisoner in question.
>
> In retrospect I could have ignored the summons to appear for jury selection and I would have been fined $50 like the dozen or so other good citizens who failed to show up. I could have requested a letter to be sent to the court by a sympathetic doctor exempting me. I could have lied and said I knew someone connected to the case. I could have lied on my UI claim. Someone suggested that anyone showing up for jury selection with a rope thrown over her shoulder would probably be rejected by the defence team.
>
> However, I did none of these things. I tried to be a good citizen, but I have come to the conclusion that when dealing with big brother honesty is really not the best policy.

That puts it in a nutshell, Mr. Speaker. Basically the person was on UI, was receiving benefits after being laid off employment, and did her civic duty by appearing on the jury.

To further matters I have a news article on a situation that happened in Nova Scotia, a little different situation, mind you. I would like to quote from this article and then comment on it. The headline on this article which appeared in *The Moncton Times* in transcript February 1991 says: "Judge Excuses Potential Jurors, Calls UI Rule 'Stupid'". The by line on the article is Sydney, Nova Scotia, and goes on to say:

> A Nova Scotia Supreme Court justice excused nine people from jury duty Tuesday because they would not be available to collect unemployment benefits if the trial took more than two days.

He goes on to say and this is a direct quote from Justice Hilroy Nathanson:

> I think it's a stupid ruling, but who am I?

When we look at who this judge is without looking at the person, but looking at the office that he holds, we see a person who is very familiar with justice.

• (1710)

He is very familiar with the legal system and with making sure that people have justice throughout the land. We have this hon. justice saying that this rule is stupid. Obviously, if we go one step further, we would have to say then that it should be changed.

That is why in a way this came to my attention again. After listening to my constituent and seeing this article in the paper, after consulting with my colleagues on all sides of the House, I decided to put forth this bill. I hope that I will have the support today of all my colleagues in the House.

Quite often when private members' bills are presented in the House, government members will come here and try to refute the bills. Quite often they get orders from above. Looking at it in general, I can pretty well predict what they may want to say.

I just want to speak on that for a few moments. First of all, there is a basis principle in UIC. We will probably hear time and time again that to receive unemployment benefits a person must be available for work and must be actively pursuing work.

In the case that we are looking at presently, which is under review and which we hope that this bill will rectify, we find that the lady in question was on UI. She was receiving benefits and decided to do her civic duty. She had no choice. It was not that she had a choice of not being available for work.

Quite often when people are disqualified from UI benefits, it is through an intent of their own to break the regulations. In this case, the lady in question had no choice but to appear for jury duty so she was not available for work through no choice of her own. She was forced to appear for jury duty.

Second, it is kind of hard to pursue employment actively when one is sitting in a jury box. It is very difficult. Obviously she did not meet those two principles. You may hear that from the other side, Mr. Speaker, but when we look at it in a realistic and practical way it was impossible for that woman, that constituent of mine, to meet those two conditions.

Another thing that you may hear is that we are scared to set a precedent. I believe that if you look at the regulations, you will find that precedents have already been set. There are people, Canadians receiving unemployment insurance who are not available for work and who are not actively pursuing work. There are actually some Canadians doing this. It is legal and it is right. There is nothing wrong with that. People do receive sick benefits from UI. They are not available for work, nor are they actively pursuing work. In this case there are precedents involved.

In jury duty we are not talking about a great number of people. Most jurors who appear are already working. We are talking about people who are already on unemployment insurance. We are not talking about people who are unemployed going to jury duty and then getting on unemployment insurance. We are talking about people who are already on unemployment. I would like to mention that.

Another thing I would like to refer to is that you may hear some members today, Mr. Speaker, say—and I hope not—that the justice system, the jury system is a provincial responsibility.

I say to you, Mr. Speaker, and to all members of the House that justice is everyone's responsibility. It is everyone's responsibility. I also say that injustices that appear in the system and can be rectified from any level of government should be rectified. In this case there seems to be an injustice done and a further injustice being created by the federal government.

I will try not to be too partisan because I think that in all honesty this bill is a good bill. When you get partisan sometimes, people tend not to want to support you as much. I have no choice but to say that if the government

is saying that it is a provincial responsibility then I think it is shirking its duty. I think it is just passing the buck. In fact, when I mentioned that to a number of my constituents and said I would be speaking today, they actually said: "I find it hard to believe that they are passing the buck because they seem to be collecting as much money as they can get through taxes and just passing on the problems to someone else". That is an opinion shared by a number of Canadians; not necessarily every Canadian, but it is certainly shared by some.

I want to come back to the intent here today, and that is to correct an injustice in the system. It is just a matter of housekeeping. I have talked with a lot of individual MPs and they have told me that it is a good idea. When we talk about private members' hour, the problem is that quite often the government does not want to pass private members' bills. If we look at the record of private members in seeking to pass a bill, we see that is a major problem.

I want to go back and talk a little bit about the Constitution and the new constitutional package which this government wants to promote across the land. A new pamphlet has been put out entitled *An Invitation to Help Build a New Canada*. That is going to go to every household in Canada, so I am told. On page 6 it says: "We need to make our federal institutions more democratic and more responsive to Canadians. At the heart of the problem is a need for parliamentary reform". I believe all members would agree with that.

It goes on to say: "Many Canadians tune in to televised sittings of the House of Commons, but they are turned off by what they see". They want to see more free votes; that is what they want to see. The government has agreed to that and most members agree that we should have more free votes. That is why I hope we will see later when the vote is taken that it is not just a party vote where maybe the government of the day decides it does not like the bill or it will not get the credit for passing the bill and it has told its members to say this about it, just talk about it, and then at the end vote against it.

I would hope that we would start now with this constitutional package, if it really means something. I would hope that we would set the example. I would hope that members opposite and adjacent would look at the bill for what it is worth and say: "I think it is a good bill. I will vote for it", or "I do not think it is a good bill and I will vote against it". If that is their wish that is no problem, but I would hope that it is an individual desire to vote one way or the other.

I would feel very satisfied with that. I also hope that we would not hear all the government members opposing it just for the sake of opposing it. I believe that is at the root of some of the problem in the land. People have lost a little bit of trust in the system, not in politicians. People tend to equate that with a loss of trust in politicians. If you go to your constituents and talk on a one-to-one basis, there is no problem with politicians as such. It is the system they are complaining about. It is a system like this one where this woman had a problem with UI.

It only makes common sense. If you talk to people they agree with what should happen. They are hoping that members of Parliament who are here today will listen and will improve the system. That is what it is all about. We should start here in private members' hour. In fact that is where the ultimate free vote should always be. It should not matter. We should not even get a declaration from the minister about whether he is for or against. We should just come in here and say: "Let us go to it", and if you agree with it, you agree with it.

[*Translation*]

In concluding, Mr. Speaker, I think all members of this House should support my amendment. I think that in this case, partisanship should be relegated to second place and the interests of all Canadians allowed to come first. I therefore urge members of all political parties to support this amendment. The interests of their constituents are at stake.

• (1720)

Since it was created in 1940, our unemployment insurance system has always had equity as its main characteristic. Since section 14 ignores this principle and is basically unfair, it should be amended. Any vote against this bill may very well be perceived as a vote against the interests of Canadians.

[*English*]

I hope that my pleas to reform the unemployment system have not fallen on deaf ears.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the bill before us today, Bill C-211, an act to amend the Unemployment Insurance Act tabled by my hon. friend, may appear at first glance to have very laudable goals, to permit people serving on jury duty or performing other

community services to continue to receive unemployment insurance benefits while carrying out those functions.

The hon. member has already informed us that no Canadian should be penalized for undertaking such civic duties as serving on juries or firefighting or things of that nature. I fully agree; no one should be penalized for carrying out his civic duty.

It is not the unemployment insurance system that is penalizing people for fulfilling their civic duty but the provincial justice system. It is true that people serving on juries are not eligible to receive UI.

An hon. member: Oh, oh.

Mr. Shields: I wonder if the hon. member could, instead of speaking, open his ears and listen and maybe he will learn something. I was very quiet and listened to the words of my hon. friend across the way. I will be prepared to sit and listen to the words of this hon. gentleman. Perhaps he will just listen to what I have to say.

It is true that people serving on juries are not eligible to receive UI benefits for the time they sit on the jury. This is because they cannot be considered available for work at that time. I will have more to say about that in a brief moment or two.

I would like to point out that it is also true that the fees paid to people for serving on juries in this country are extremely low. For this reason someone receiving UI benefits who serves on a jury is very likely to face financial hardship when he or she is disentitled from UI benefits. But it should also be noted that I do not believe that any judge in the land would ignore a plea to be excused from jury duty when one is seeking employment and on unemployment insurance. That should be underlined.

I have had occasion to be in court rooms when judges will excuse people from jury duty for a number of reasons. If I were unemployed and was called for jury duty and I went before the judge and explained that I was looking for a job and that my UI would be cut off if I had to serve, he would excuse me from jury duty.

Let us briefly explore how the act applies to this question. The Unemployment Insurance Act of 1971 was enacted June 23, 1971. Although numerous changes have been made to it, this act forms the basis of the current legislation. Under the act claimants attest to their entitlement to benefits on a bi-weekly reporting card. Here they indicate that they are unemployed, that they are capable of and available for work and unable to find suitable employment. Those are the basic criteria for receiving unemployment insurance.

This process of determining the claimant's eligibility is not limited to when they file their initial or renewal application for benefits but continues throughout the benefit period. Once a benefit period has been established, claimants serve a two-week waiting period before benefits start. Claimants must also show that no conditions or circumstances exist that would disqualify or disentitle that individual from benefits.

UI legislation requires claimants who are receiving regular UI benefits to prove that they are capable of and available for work and that nothing prevents them from immediately accepting any suitable offer of employment. This is really the crux of the matter, and I would repeat that again. The legislation requires claimants who are receiving regular unemployment insurance benefits to prove that they are capable of and available for work and that nothing prevents them from immediately accepting any suitable offer of employment.

This is the test laid out in section 14(a) of the Unemployment Insurance Act. This requirement is mandatory under the legislation and there is no discretion to waive or vary. It imposes on each individual claimant the burden of proving availability for each and every day of employment. The claimants primary preoccupation on a daily basis is to become re-employed. To that end a claimant must be continually seeking work and be immediately available to accept an offer of suitable employment.

If a claimant is unable to accept employment immediately because he or she is serving on a jury there is a strong presumption, I would submit, of non-availability. However, as in all cases availability is evaluated on the individual's circumstances. The decisions will vary according to the particulars of the specific case.

In recent years the Canada Employment and Immigration Commission has developed a policy that permits some flexibility and allows claimants to prove their availability for limited periods of up to two working days in cases such as jury duty, family illness or attendance at a funeral, when claimants would otherwise be able to prove their availability.

This is the most flexible interpretation possible under the legislation which in section 14 requires the individual to be available for work, capable of working and willing to work.

Nevertheless as a general rule a claimant is not considered to be available for work while serving on a jury. The length or uncertainty of the time of duty interferes with the claimant's search for and acceptance of employment.

I would submit that anyone unemployed and looking for a job being called to do jury duty, having a job offered to him and not being able to accept it would be very upset indeed. It goes beyond civic duty.

If jury duty lasts more than two working days in a row, it is difficult for a claimant to claim to be available for work. If arrangements have been made for the claimant to be informed immediately of any opportunity for suitable employment and if it is possible for the claimant to be released and report for work within the following 24 or 48 hours, the claim may be credible.

If in fact the solution to this problem lies not with UI legislation but with provincial judicial systems, generally provincial payments for jury duty are much less than UI benefits. Consequently UI recipients could be penalized for fulfilling their civil obligation.

I agree that people should be compensated for an important function such as jury duty, but the real question is: Who is responsible for compensating them? Is it the employer and the workers themselves or is it the judicial system, as I would submit, of each individual province? I would argue that since they are serving the provincial systems it is their responsibility to provide adequate compensation.

I am going to review very briefly for the House what the provinces are paying for jury duty. Prince Edward Island pays its jurists $40 a day from the first day of jury duty. The average duration of jury duty is seven days in that province. Nova Scotia pays $15 a day from the first day. The average duration of jury duty is three days. New Brunswick pays no fees for the first nine days and it pays jurors $10 a day in mileage and $25 for a full day after 10 days. Quebec jurors are paid $25 a day for the first 10 days, $40 for the eleventh day on. The average duration of a jury in the Montreal region is seven days. Ontario jurists are paid nothing for the first 10 days of trial. I think those kinds of payments for jury duty are not acceptable and the provinces should address them. Manitoba pays $20 a day for the selection of panel, $30 a day for jury duty. The average duration is five days. Saskatchewan pays $25 a day from fourth day of jury duty in criminal cases and $25 for the first day in civil cases. Jurors in Alberta get $10 a day for days one through five of jury duty, $40 after that. Four days is the average number of days served on a jury. The Northwest Territories pays $25 a day and $40 a day. British Columbia pays $10 a day and $30 a day with a two to three day average.

• (1730)

In conclusion, the primary requirement for entitlement after being unemployed is being available for work. I would submit, and I submit very strongly, that it is not the UI system that we should be attacking or seeking compensation from for the individuals to allow them to serve on jury duty. We should go where the problem lies and that is in the judicial system of each province.

Provinces should take the responsibility that belongs rightfully to them and pay the jurors a decent remuneration for sitting and doing a civic duty.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I rise with pleasure to support Bill C-211 which has been put forward by the member for Restigouche.

This bill is cleaning up something that was overlooked when the original act was put in place. We are not suggesting for a moment that it is going to cost the UI fund any more money. We are not asking the federal government to put more money into the fund. It does not put any into it now.

What we are saying is that when people are performing a civic duty they should not be penalized by having their benefits cut off, thereby not only putting them under undue stress but also their families.

A lot has been said about people serving on jury duty and a lot should be said about that. When we consider people sitting on jury duty, it is a right and a privilege. Those people who are denied that right and privilege are not being dealt with fairly. When we say that you are going to sit on jury duty but you are not going to be able to collect unemployment insurance benefits, we are taking away their right.

I would like to put emphasis on other volunteers in a community. In my riding of Timmins--Chapleau we rely a lot on volunteers. We have numerous volunteer fire departments. We have a first response team in a town called Foleyet. A lot of people on that team are unemployed. A lot of our volunteer firefighters are unemployed.

The bill also asks for an exemption to the rule or a change in the rule for those people who provide food, flood control and shelter. We have an organization called the Lord's Kitchen which offers some 350 to 400 meals per week to underprivileged people, people who need help.

Are we telling all these volunteers who may in some cases be on unemployment insurance: "You can't do this on a continuous basis because you are not actively looking for work. You can't go out and help your community any more. You have to go out and look for a job"? Albeit they are looking for a job, does that mean that every waking moment they have to be out there banging on doors looking for work? Does that mean we have to deprive them of the opportunity of serving their community on a volunteer basis?

If that were the case, what would happen to the Cancer Society, the Heart Fund and the United Way, all those volunteer agencies that without volunteers will not exist? Is this the message that we are sending to our communities?

When we hear the government say "some of these areas fall within provincial jurisdiction", the government is passing the buck. The government is shedding itself of its responsibilities.

The government is not contributing to the UI fund. It is paid for by employers and employees. Why is there a problem with saying that people engaged in performing a civic duty or volunteer work cannot collect UI? Does that mean that those volunteers and those people who are performing jury duty are not actively seeking work? They send out resumes. They fill out applications. They make appointments.

An employer will call you and say: "Come on in and let's have an interview." Does that mean that it has to be specifically at the time they are sitting on a jury, or could they make a time that is more convenient. Accommodations can be made. Potential employers, no. They are reasonable people and they know that when people are performing their civic duty, allowances have to be made.

I think this bill, as I said in the beginning, is a good bill. It is a clean-up bill. It is not one that is going to cost the government one red cent. If we look at the percentage of people who would be affected, the cost to the fund is very, very minimal but the benefit to the community is extremely large by having these people in place to perform these voluntary duties.

I do not really understand why the government members would want to rise in this House and speak opposing this bill. I would hope, as my friend from Restigouche--Chaleur has already pointed out, that this debate will take place in a non-partisan way, that when you look at the bill you look at the value of the wording, exactly what it will do. Never mind going outside the parameters and playing one political party against the other. I have no problem supporting this bill. It is a Liberal bill but it makes no difference. I would hope that the Conservative members will rise and speak their own minds as to exactly how they really feel about this bill. I am sure that in the end they will see that there is benefit, there is no cost, and that they, like us, will support the bill.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I welcome the opportunity to speak to the hon. member's bill to amend the Unemployment Insurance Act.

On the face of it, the hon. member's desire to amend this bill seems quite reasonable. I am sure hon. members will agree that it is incumbent on every citizen to perform his civic duty, such as serving on a jury or helping in the community when necessary. Helping the community through volunteer work is a noble endeavour that benefits our society as a whole. However, Mr. Speaker, even if it may be the right thing to do, and I refer to making up for the financial losses of citizens when they take part in activities to help their community, we should ask ourselves how this should be done and

whether an amendment to the Unemployment Insurance Act is the right answer.

Mr. Boudria: Who wrote that?

Mr. Saint-Julien: Mr. Speaker, the hon. member for Glengarry--Prescott--Russell asked me who wrote that. I did. I have a right to prepare my notes. If he wants to take a look, he can come to my office.

Mr. Boudria: If the notes were yours, they would make more sense.

Mr. Saint-Julien: The hon. member talks about sense. I often notice he reads his own notes during Question Period, but I never made an issue of it. In any case, I am not going to argue. Mr. Speaker, I feel that although the amendment proposed by the hon. member is well intentioned, it is clear it is not up to the federal government to offer these people compensation through the Unemployment Insurance Act. Now, did you get that?

Consider the situation. From the outset, in the forties, the main objective of the Unemployment Insurance Act has always been to help workers "temporarily out of work". Canadians can be proud of this legislation because it is an integral part of programs that reflect our social responsibility. However, to make it effective, we have included measures to counter abuse and set criteria to ensure that the money paid during a period of unemployment goes to people who are out of work and are actively seeking a job. I emphasize, these people must be actively seeking employment. I am sure the hon. member will agree that without this provision, human nature being what it is, there would be considerable abuse of unemployment insurance funds. Section 14 of the Act, the section the hon. member wishes to amend, puts a heavy responsability on unemployment insurance recipients. I wish to quote subsection 14(a):

> (*a*) capable of and available for work and unable to obtain suitable employment on that day--

• (1740)

Mr. Speaker, under the Unemployment Insurance Act, the main concern of a person who is unemployed must be to seek employment, not for three or four days a week but every day. That person must look for a job and be immediately capable of accepting a suitable job offer.

I think the hon. member will agree it is reasonable to assume that if a person serves on a jury or works as a volunteer fireman, laudable though those activities may be, that person is not immediately available for work.

However, Mr. Speaker, the federal government realizes that sometimes there are special circumstances. That is why every application is assessed on its own merits, and as a result, decisions will vary. However, when a UI benefit recipient is selected as a jury member or as a member of a rescue team, if he makes arrangements to be called immediately as soon as suitable employment is available, and if that he then reports for work within 48 hours, then he is eligible for unemployment insurance benefits.

Mr. Speaker, I think the real problem is not the provisions of the Unemployment Insurance Act but the low rates of compensation paid by the provinces for jury duty. For instance, in Ontario, jury members receive nothing during the first ten days of a trial; from the eleventh to the forty-ninth day, they get only $40 a day, and starting on the fiftieth day, they receive $100 for their expenses. That is the rule in Ontario. Mr. Speaker, I have yet to see a single federal member urge the Government of Ontario to increase those amounts. They should, but I think they are asleep on the job.

Mr. Speaker, in Quebec they get $25 a day for the first ten days and $40 a day for subsequent days. In Newfoundland, Mr. Speaker, employers are responsible for compensating employees who are called for jury duty. Unemployed workers in Newfoundland who are called for jury duty receive $4.75 an hour, but in Nova Scotia they only get $15 a day.

Mr. Speaker, I don't want to waste the precious time of hon. members by quoting figures for all the provinces. The ones I gave are fairly representative for the provinces as a whole. I hope opposition members understood those figures, and they should, if they can add and subtract. Suffice it to say that in general, the compensation paid by the provinces to persons serving on a jury is far less than UI benefits. However, I am sure hon. members will agree that UI benefits should not be used to subsidize provincial judicial systems.

UI benefit recipients who ask to be exempted from jury duty do so because the compensation is inadequate. Mr. Speaker, I think that judges who believe compensation paid by the provinces to persons who do jury duty is inadequate should do something about this problem. Mr. Speaker, despite the good intentions of the hon. member who proposed the amendment, the answer is not to amend the Unemployment Insurance Act but to ask the provinces to increase amounts paid to individuals who perform their civic duty by serving on a jury or working as volunteers in their communities.

I have reached the end of my speech, and I thank you, Mr. Speaker. I hope the Liberal member who tried to intervene during my speech listened to what I had to say.

Mr. Don Boudria (Glengarry--Prescott--Russell): Mr. Speaker, I listened carefully to the speech by the hon. member for Abitibi. I must tell you that I accused him of reading a speech that was not his but, Mr. Speaker, I did so as a compliment, a tribute to him because I know that his own speech, one that he would have written himself, would be thirty times better than the one he was given, Mr. Speaker.

I trust the hon. member opposite, but I have no confidence in those who wrote that speech because obviously they are not at all as intelligent as the hon. member for Abitibi.

Mr. Speaker, the hon. member for Abitibi and the hon. member for Athabasca were telling us earlier that unemployment insurance is a system that exists to provide benefits so long as the beneficiaries want to look for work--no exceptions. But that is not true, Mr. Speaker. I will quote section 14 of the present law to you.

> 14. A claimant is not entitled to be paid initial benefit for any working day in a benefit period for which he fails to prove that he was either
>
> (*a*) capable of and available for work and unable to obtain--employment--or
>
> (*b*) incapable of work by reason of prescribed illness, injury or quarantine on that day, and that he would be otherwise available for work.

So recipients of unemployment insurance who are sick, quarantined or have other valid reasons given in section 14 can still receive benefits.

Mr. Speaker, we are not here today to see whether or not there are exceptions to the rule. There are exceptions. What my colleague from Restigouche--Chaleur is telling us today is that there should be another exemption, not that there should be exemptions--that is already established, it is in the law and the government has not challenged it or tried to eliminate it. So it is there. My colleague is saying that there should be other exemptions.

[*English*]

Let us listen to rules on how it is today. If a person serves on a jury, that person is technically unavailable for work that day and cannot draw unemployment insurance. Some members across say that is the fault of the province because it does not pay enough for jury duty.

Another hon. member said that was fine but those people who are not rich enough to serve on juries should ask the judge to exempt them. I thought it was a principle of common law that we had a right to be judged by our peers, not that we had a right to be judged by the rich. What kind of mind-set is that?

I have an article here from the *Mountain Times Transcript* of February 6, 1991. I ask my colleagues across the way to take note of this. Never mind the speech that the officials of the department gave to them to read. It says: "Calls UI rule stupid. Judge excuses potential jurors". This explains how the judge in this case allowed a juror to go home because the person would lose her unemployment insurance benefit. The judge called this ruling stupid. The members across want to favour a ruling that is described by a judge as being "stupid". Is that what they want to stand for by reading the documents given to them by functionaries of the department? I say to my colleagues across, never mind that nonsense. Speak your mind. Never mind what the officials told you to read. They are not the boss. We are. We were elected to this place by our constituents to make laws that are fair and reasonable for all Canadians, not to read junk prepared by some minion in the employment department or by a sidekick to the minister.

The members across have referred only to jury duty. They have some sort of a bent that only people who are rich have a right to serve on jury duty. What about the firefighter, the volunteer firefighter, the flood control

worker, the rescue worker? Say that some members have a problem with the last clause "provider of food or shelter for the community".

Let us assume there is a problem with that with someone across the way. I do not think there should be, but let us say there is one. Why do they not all go to committee and remove that portion of it if they have a problem with it?

Here is the situation now. If there is a flood on the Ottawa River going through my constituency, someone who is on unemployment cannot volunteer to go help in that flood because he will have his unemployment benefits cancelled. That is a case of an emergency, and that according to the government across the way is what the rule should be.

Last year there was a fire in Baie Comeau, in the Prime Minister's own riding. Is it logical that a volunteer should not be able to help with the fire because he is receiving UI?

• (1750)

No, that is not logical. I know the members across do not believe it is logical. I say to them, never mind what you were told to read by some functionary, some sidekick to the minister. Speak your mind. Say what you think on behalf of your constituents. Let us change this role. Let us make it right for the people of Canada.

[*Translation*]

Mr. Saint-Julien: Bring it up with the provinces!

Mr. Boudria: The hon. member opposite says: Bring it up with the provinces, at the same time. Volunteer firefighters are not paid.

An hon. member: Yes, they are.

Mr. Boudria: Volunteers who go fight a fire are not paid!

An hon. member: Yes, they are.

Mr. Boudria: The hon. member opposite thinks he knows everything. He thinks there are no volunteer firefighters in Canada. If some of them are listening to us, they will write to the hon. member for Abitibi and let him know they provide their services to all Canadians, they greatly contribute to this country. The unemployed are entitled to fight a fire without asking permission to the hon. member for Abitibi or to anyone else! They should have the right to continue to do so. The same thing applies if there is a flood in my riding or in yours, Mr. Speaker.

[*English*]

I say to the members they should have an examination of their own conscience before they read the prepared text that was dictated to them and should speak their own mind. Perhaps the people of Canada will then have some faith in this institution, instead of thinking that we are all a bunch of wimps reading documents prepared by someone else.

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, an amendment to an act of Parliament should improve that act in some way for all concerned, rather than merely complicating it.

My hon. friend wishes to make the unemployment insurance program fairer for jurors and emergency workers whose unquestioned value to society makes our response to this amendment all the more heartfelt.

The hon. member is to be commended for bringing this issue to our attention. What scares me about the amendment before us is that it emphasizes the creation of more and more exceptions in an act already almost overburdened with special cases.

Meanwhile, the end result sought after in the case of jury duty and maybe emergency workers as well is so much easier to achieve through simple administrative changes at the provincial or territorial level and through augmented fees where shortages exist.

We either rewrite the UI act to include more exceptions in special cases or we ask the provinces and territories to pay their jurors more in line with present day wages.

Do we really want to create yet another group of special claimants whose major complaint is that they are often grossly underpaid by their provincial masters?

If the provinces which need their community services so badly are not willing to pay for it, then let them exclude the UI claimant from service.

The Unemployment Insurance Act is geared increasingly to helping Canada build a strong, globally competitive, highly skilled work force. Its cornerstone is that each and every claimant be available for work and actively searching for it and each and every day benefits are paid.

Obviously, someone empanelled on a jury or performing emergency service, whether paid or not, is not available for any other work. With respect to jury duty, I believe a simpler solution is already at hand which avoids amending the UI act altogether.

The preferred solution in my view can be found in a small booklet first published by a Tory government in Ontario and issued every since by the Ontario Attorney General, entitled *Your part in Justice—A Guide to Jury Duty*.

This booklet is mailed to every Ontario resident who is summoned for jury duty, whether or not he or she is actually selected.

In it, on page 11 of the current issue, article 16, UI claimants are told to identify themselves to the court and they will be excused from jury duty if they so request it.

Ontario's solution recognizes how important it is for UI claimants to identify themselves as soon as they are summoned. I am certain the mover of this amendment will agree that while Ontario's solution does not satisfy all cases—the civic minded UI claimant who yearns for an opportunity to serve as a juror, for example—it certainly is the answer for all those UI claimants for whom jury duty under the present circumstances is an outrageous and personally aggravating interruption in family earnings which they can ill afford.

Perhaps the hon. member would join with me in a motion that asks every province and territory which has not already done so to allow UI claimants to exercise the exclusion privilege conferred by Ontario. It seems a very sensible privilege to offer claimants and a practical one too.

I am informed by the local sheriff's office in Ottawa—Carleton that UI claimants do, in fact, exercise it when their names are chosen. I acknowledge the possibility that this solution may, in areas of extremely high unemployment, leave the court short of jurors, with the result that, as sometimes happened with blood donor clinics, service to the community is shouldered by a small core of willing repeaters. In these rare instances, might I suggest that the province or territory could perhaps selectively augment the jury fee to bring it into line with UI benefits in the affected community. But I do not wish to download this issue on to the provinces, Mr. Speaker, nor will I tell them how to manage their affairs.

Let us keep our priorities straight and let us encourage our provincial and territorial partners to do the same.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, first I would like to congratulate my colleague from Restigouche—Chaleur, New Brunswick, on a job very well done. Obviously he has done his homework before he came forward with this legislation.

I too was somewhat surprised and astonished when I received a newspaper clipping dated February 6, 1991. The headline read as follows: "Judge excused potential jurors; calls UI rule stupid". The story goes on to say that a Nova Scotia Supreme Court justice excused nine people from jury duty Tuesday because they would not be able to collect unemployment benefits if the trial took more than two days. Canada Employment states that people must be available for work to qualify for payment. There is a quote by Justice Hilroy Nathanson where he says "I think it is a stupid ruling, but who am I?"

Mr. Speaker, not only are the rules somewhat stupid but in my view they are extremely unfair. I think it is our duty as parliamentarians and it is the duty of the government that whenever it introduces legislation to make sure that legislation is fair.

I heard some of my colleagues talking about the fact that this whole question falls within the jurisdiction of the provincial government. That might be true, but as my colleague indicated a little earlier, with the latest development in the UI proposal by the federal government, the federal government is washing its hands of the whole question of transfer payments to the provinces.

Just for the benefit of the viewers, I would like to point out that in Ontario alone, according to the Ontario Ministry of the Attorney General, between the months of July 1, 1990 to June 30, 1991 there were 10,843 people who served on juries. I wonder how many of those people would have qualified for UI if they were unemployed.

• (1800)

The system is unfair because it does not treat all of the people equally. When you look at the provinces you see that as of March, 1989 jurors who might be called to duty do not receive any money in Ontario from day one to day eleven. In New Brunswick, they do not receive any money between day one and day eleven, while in Manitoba, for instance, they receive $30 for each day

they serve. Well, here we have two provinces, Mr. Speaker, where somebody who is called to duty does not receive any money at all, while in another province they receive $30 a day.

It is not only the system that is not fair at the federal level in terms of the policy-making end of it, but also at the provincial level where the provinces are not treating the jurors on an equal basis.

British Columbia, for instance, pays $10 for the first day and after the first day it is $20 per day and after 10 days it is $30 per day. In Nova Scotia, jurors are paid $15 per day.

I guess, Mr. Speaker, the government in its wisdom thought that it was a provincial responsibility but one could ask, what would happen if a juror is called to the Federal Court? There is no provincial say in what happens at the Federal Court because the Federal Court falls within the jurisdiction of the federal government. Is the federal government going to say that those people who appear in the Federal Court will qualify to collect UI but if they appear in provincial court they will not qualify?

Mr. Speaker, that is somewhat unfair. I can see it is six o'clock.

An hon. member: Maybe we will have a chance to debate this question again.

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of private members' business has now expired.

[*Translation*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 39 is deemed to have been moved.

Adjournment Debate

FARM CREDIT CORPORATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I rise on this question because I asked the Minister of Agriculture a question in the House the other day about the relocation of the Farm Credit Corporation headquarters to Regina.

At the time, I saw the move as being unnecessary and I indicated that it is going to cost farmers a price they cannot afford. At the same time I indicated that the burden of these increased costs will fall squarely on the shoulders of the farmers themselves. I also indicated that the relocation will make the credit office headquarters significantly less accessible to a variety of Canadian support groups.

In my statement I clearly indicated that the office, if it is to be relocated as the government has indicated to make it easier for farmers to borrow money, one would understand. However, the reality is that the move of these offices to Regina will not benefit the farmers any more than they would benefit if the offices were located where they are right now.

Simply put, the regional offices that already exist in the provinces are in charge of giving loans to the farmers. The offices right now in Ottawa, Mr. Speaker, mostly concentrate on developing strategic plans with ministers and with federal departments.

In my question to the minister I asked him to clarify for us why the government decided on a move at this point in time, on the verge of an election being called in Saskatchewan.

Also I asked him to give us the rationale for this move. What sort of a study has the government done? What sort of justification has it? I asked him the question twice hoping to get an answer from him, but unfortunately rather than answering my question, he moved on and started fighting with the NDP.

I can understand that there is a bone to be picked between the minister and the NDP but I think it is also a serious matter. The people of Saskatchewan are wondering now what will happen if the Conservatives do not win in Saskatchewan. Would the government carry on with its move, or will it be cancelled altogether?

I would like to ask the minister to give us a complete analysis of what has taken place to lead the government to the conclusion that this office had to be moved out of here.

Adjournment Debate

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): The Farm Credit Corporation is a key institution for Canada's agricultural sector.

Since its establishment in 1959, the corporation has been an important source of loans and financial services to farmers all across Canada. It plays an important role in assisting Canadians to establish and maintain viable and productive farms. At the end of the 1990–91 fiscal year, the Farm Credit Corporation had a loan portfolio outstanding of 61,475 loans totalling $3.6 billion.

The relocation of FCC's head office from Ottawa to Regina will strengthen the presence of the Government of Canada in Saskatchewan and demonstrate the government's commitment to decentralizing its agencies and services throughout Canada. Relocating FCC's headquarters will greatly benefit the city of Regina and the province, adding up to 200 new positions in Regina.

FCC currently has about 185 field and regional staff in Saskatchewan of which about 75 are located in Regina. With the relocation of FCC's head office to Regina, over one–third of FCC's employees will be located in Regina and almost one–half in the province of Saskatchewan. This move also fits perfectly with the provincial government's plan to shift provincial government jobs to smaller communities.

The hon. member for Regina--Wascana tells me that the people of Saskatchewan and farmers in western Canada welcome FCC headquarters staff to the prairies. They hope that by FCC being located in a more rural oriented city that staff will be able to develop a closer relationship with its western clients. In 1990–91 and to date this year, some 45 per cent of FCC loans have been to prairie farmers.

The decision to move FCC's head office is strictly a federal decision and is not related to provincial elections. It is a decision which is consistent with this government's policy on decentralization and is similar to the government's decision last winter to move the National Energy Board to Calgary.

I can assure hon. members that the National Energy Board has successfully completed its move to Calgary. I know that, like the National Energy Board, FCC will greatly benefit from this move by being closer to western Canadians.

The corporation has recovered from its financial difficulties of the 1980s and in 1990–91 recorded its first operating surplus in nine years.

NATIONAL UNITY

Hon. Alan Redway (Don Valley East): Mr. Speaker, the government has now unveiled its constitutional proposals.

According to the media at least, there were some differences of opinion among ministers in arriving at those proposals. Finally the differences were resolved. They were resolved not openly and publicly but privately behind closed doors.

The proposals that have been put forward deal with most but not all of the concerns that Canadians expressed to the Spicer commission during its hearings. Now the proposals have been referred to this special all–party parliamentary joint committee for public hearing and also, as I understand it, a summary of the proposals are going to be sent out to each and every household in Canada.

Now it is an opportunity for all Canadians to finally discuss and debate these proposals in an open and public fashion. It seems to me that it is extremely important that the joint committee, our government and all of the provincial governments involved in this whole process must not only be willing to listen to the public. They must also be prepared to accept constructive amendments to the government's proposals that have been put forward and new constructive proposals that come directly from the public. They may have nothing to do with the proposals that the government has put forward itself, although perhaps some of these proposals might be ones that the government debated privately without the benefit of public input behind closed cabinet doors before unveiling the actual proposals themselves.

• (1810)

It seems to me that unless there is this openness and willingness to accept constructive proposals from the public on the part of governments, we are going to be right back in the position that we were at the beginning of this whole process as identified by the experience of the Spicer commission. It found that Canadians were very distrustful of our government process and of politicians themselves.

Of course, they expressed those concerns based on the belief that they had not been represented by the members of Parliament, that members of Parliament had not represented their views on such things as the debate

on taxes on their old age pensions or the debate on the GST. In fact, the public feels that the members of Parliament were saying: "We know better than you do what is good for you". Therefore, the public feels that their views were not being represented.

That concern reinforced the feeling that grew out of Meech Lake that things were being done privately behind closed doors and not in an open fashion whatsoever. From here on in it is important that everything be done publicly. If there are compromises and trade-offs to be made, the public understands what the basis of those trade-offs are all about.

A recent poll, as you know Mr. Speaker, found that 60 per cent of Canadians think that the government is just playing politics by introducing these constitutional proposals and 51 per cent, slightly higher in Quebec, believe that these proposals should finally be approved by a national referendum.

Tonight I want to ask the parliamentary secretary if he is going to assure us that the final constitutional proposals are going to be put to a national referendum by the government for final approval or rejection by all Canadians.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, on May 28, 1991, the hon. member from Don Valley East asked that the Government of Canada give its undertaking to accept, without modification, parliamentary recommendations on the constitution. He also asked that the Government promise to deal with the entire issue in an open way.

Mr. Speaker, this government has made a commitment that I will repeat for the record: in cooperation with the people and Parliament of Canada, together with the provinces, the Government of Canada will seek an open constitutional covenant in an open fashion.

The Special Joint Committee will listen to the views of interested groups and individual Canadians on how to improve our constitution in the course of its broad hearings from coast to coast. However, both Houses will wish to know the views of the provincial legislatures which, Mr. Speaker, also represent the people of Canada, and which play a formal role, as we know, in authorizing constitutional amendments. Under these circumstances, it would be inappropriate for us to close doors prematurely on the process of improving our constitution.

If we hope to embark on a truly open process, Mr. Speaker, we must expand, rather than curtail, the participation of other groups and individuals in this process. To exclude everyone but the members of this assembly would run directly counter to the goal of democratizing the system of altering our constitution. That is why the work of the Special Joint Committee is essential in developing a national consensus.

Mr. Speaker, it is the people of Canada, expressing themselves through the House of Commons, their provincial legislatures, and as individuals, who will ultimately decide the content of their own constitution.

I encourage the honourable member from Don Valley East to play an active role in this process in the months to come. This House will still have the final word on any new constitutional covenant, according to the rules of our current Constitution.

[*English*]

CORRECTIONAL SERVICE CANADA

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am very pleased to have an opportunity to follow up on a matter raised in a question on June 17, 1991 in connection with Corrections Canada put to the Solicitor General.

At that time there was some fear that a strike might take place within Corrections Canada in a way that would cause security problems in our corrections institutions. Fortunately that type of a strike or withdrawal of services did not occur. Consequently the fear that we would have significant problems, while not unfounded, we can file in the past. However, a number of issues lying behind the question remained.

Coincidentally just yesterday I visited the Edmonton Institution in Edmonton, Alberta, a maximum security institution, where issues relating to that question were taken up with management and employees. Also coincidentally this morning the government has put a new bill before Parliament respecting a new Corrections Act and also dealing with a number of issues related to that area.

While in Edmonton and discussing these types of issues, mostly related to previous escapes from custody but not confined to that, I had an opportunity to deal with case management officers, security officers, and one employee incognito who did not wish his name to be known. The themes that came up at that time, the issues which also bear relevance to the question put that day in June to the Solicitor General, are threefold, I believe.

First, in dealing with the question as put to the Solicitor General on the issue of staff relations, I believe that Corrections Canada can do better in its employee relations. As I look at the field I see shades of the post office, the way we used to discuss management-employee relations in the post office. The ministry and Corrections Canada have to improve the way they deal with their employees. As Corrections Canada itself changes, they have to make sure that the pace of change does not outstrip the ability of employees to train themselves to adapt to new situations.

I remember one individual at the institution yesterday making that point very clearly. He said: "Mr. Lee, I have been here 19 years and I have never seen so much change as we have gone through lately. Please take my message from other people here that you cannot change things so fast that we fail to do our job properly", and a very important job it is too because if they make a mistake dealing with some very dangerous commodities we all as a society have to bear those risks.

The second area was public relations. Corrections Canada has done a woeful job of its own public relations. In the communities where it has institutions there is a very high, ultra sensitive threshold of sensitivity here. The communities are worried and in some cases have reason to worry that the institutions are not properly dealing with the communities that surround them and that they are not taking into account the risk factors existing inside the institution when dealing with the public.

Lastly, the issue I have already touched, Corrections Canada has to make sure that the training it makes available to all of its personnel is properly delivered and that the service properly carries out the functions, mandate and mission statement of CSC.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Mr. Speaker, it is with great pleasure that I respond to my hon. colleague. As you know, I am also interested in that issue since there are five prisons in my constituency, plus the largest correctional facility. But there is also the best training centre for French-speaking guards in Canada.

Mr. Speaker, on behalf of the Solicitor General, I am pleased to address the question raised by the hon. member during Question Period on June 17 regarding labour unrest, low wages, reduced staff levels and insufficient training of correctional officers.

First, I would like to assure the hon. member that the Solicitor General takes his responsibilities with regard to public safety very seriously. As a matter of fact, today, the Solicitor General introduced a bill that shows how important public safety is and how the government is determined to restore public confidence in the correctional system.

• (1820)

[*English*]

With respect to labour unrest I would like to remind the hon. member that federal correctional officers are designated as essential employees for obvious security reasons. As the hon. member is aware, there were some disruptions during the recent strike but public safety and operations were not jeopardized.

The hon. member expressed concern over low wages paid to correctional officers. The member should know that their salaries compare very favourably to their counterparts in other jurisdictions. They are paid 6 per cent more than the average maximum rate earned by their provincial counterparts.

With regard to reduced staff level the members should know that the ratio of correctional officers to inmates with the Correctional Service of Canada is 2.5.

It may interest the hon. member to know that the ratio in the U.S. federal system is one staff member for eight inmates.

[*Translation*]

I would have liked to go on, Mr. Speaker, but I see that my time has already expired.

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I would like to use the time allocated to me tonight to discuss the situation in the farm industry in Canada. The government is not dealing with the problem of last year's shortfall of more than $1 billion in farmers income. Farm organizations are urging the government to put in place a third line of defence to provide financial assistance to farmers.

[*English*]

Today the Women's Institute of Canada was in town and had representatives here to point out the harm that is being done to rural communities and to families due to the lack of funds in rural Canada.

The shortfall in realized net income has been calculated to be about $1.3 billion. That calculation is arrived at by taking the average of the last five years' net income and looking at the actual income from the crop year just completed, and the shortfall between the five-year average and the actual income for the year that was just completed in August is $1.3 billion.

We should remember that net farm income has been declining in each of those five years so we are in a sliding scale downward and even so the income for the crop year just completed will be $1.3 billion short of that declining balance.

What this means is that a lot of farmers are carrying excessive debt. They are carrying debt that is being pushed on to the small business people who supply farmers as the banks withdraw from the lending market. The fertilizer dealer, the equipment dealer, the seller of pesticides and hardware carry a greater and greater amount of credit accounts because farmers cannot go to the bank anymore to borrow the money. They simply build up an account with the local business people.

GRIP and NISA are coming in the current crop year. They will be available for the crop that is now going into the bins, but there is still a huge shortfall of $1.3 billion which will simply be carried forward as additional debt. I remind the House that the agricultural committee found that farm debt had not declined over the last four years. When we completed our studies we saw that farm debt was stuck at $22 billion. We have some data to indicate that debt is now rising.

The call for $1.3 billion has been made by all of the major farm organizations in Canada, which was raised by me on the first day that the House came back in a question, prompts this intervention, and has been raised at numerous farm rallies across the land. The government must act soon to provide this assistance to grain and oilseed producers in Canada.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, Canadian grains and oilseeds farmers have watched over the last six years while an international grain export subsidy war has devastated prices. This is a battle over which our producers have no control and it is one which has hurt them deeply.

Who would have believed that in 1991 Canadian farmers are getting the same price for their wheat that they received in 1972? The escalating subsidy war has done just that. Until the European community and the United States put an end to their fight, our farmers will continue to suffer at their hands.

Canadian farmers are fighting to survive in spite of these record low prices. This government is helping in that fight by providing unprecedented support. We have been working along with farmers through the development of new safety net programs and now on the third line of defence committee to address the income problems of the sector.

The committee met October 2 through October 4 in its efforts to review and recommend action. The Prime Minister attended the meeting last week and spent about an hour with farm leaders to hear their views. He also told them that this government is prepared to provide special assistance for immediate short term. The Prime Minister has asked for recommendations from ministers by the end of the week.

This demonstrates the commitment of this government to support the grains and oilseeds sector. Already this year the federal government has provided strong support to grains and oilseeds farmers. About $2 billion will be going out to farmers from now until the end of June through the new safety net programs. Of that amount, cheques through the NISA program are in the mail now and an interim payment is expected through the GRIP program before Christmas. More of the GRIP

money can be made available in two more interim payments before spring seeding in 1992.

These payments are part of a long list of support measures this government has taken over the last six years to help the grains and oilseeds sector. There was a special Canadian grains program in 1986–87 which paid out $2.1 billion over the two years. In 1988 we provided $850 million to farmers to deal with the drought. In 1990 we provided a further $500 million through the special income assistance program.

We recognize that despite these programs--

The Acting Speaker (Mr. DeBlois): Order please.

STUDENT LOAN PROGRAM

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I want Canadians to know why this particular kind of session is being provided. A member asks a question and when the information provided by the minister in response to the question is unclear, insufficient or the minister has not answered the question, we get an opportunity to make the point again. Hopefully this time we get the answers we want.

What was my question? My question was a very simple one. Will the minister remove a 3 per cent administrative fee imposed on student loans? I did point out to the minister that this was an unfair tax and there is not anyone involved in education who would disagree that it was possibly illegal because it asks those who will no doubt pay their loans back to pay a tax for those who do not. Clearly it is immoral.

This is that very tax system in which you, as a poor student in a sense because you would not be borrowing money unless you needed it, need to pay the cash up front before you can get the loan.

I was trying to help the government. I was trying to point out that this is a silly insensitive tax. I recognize that we have had 30 some tax increases and none of them has been particularly popular, but this has got to be the silliest of all.

Will the minister remove this tax? It is as simple as that. The minister said that we had a program available for 27 years and that there had not been a great deal of changes and that he would soon be making recommendations to cabinet and then they would be presented to the House of Commons.

I understand that, but will he or will he not remove that tax? He was given a wonderful opportunity--

[*Translation*]

It is unfortunate that it did not chose to do it. The governement talks about globalization, competitivity, productivity, and then what do they do? They cut in education budgets. There is less money available now for training and retraining, research and development, than there was before. It seems to me that this is the way to go to ensure that we can meet economic, social and other needs of Canadians.

I ask the question again in the hope that this time I will get an answer.

[*English*]

Will this government act now? Will it remove this insensitive tax, this immoral tax, this possibly illegal tax, this tax that is damaging the students who want to return to their studies?

[*Translation*]

Thank you, Mr. Speaker, but I would like an answer, immediately.

[*English*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State of Canada and to Minister of Multiculturalism and Citizenship): Mr. Speaker, to answer my colleague, all taxes are silly especially when you have to pay them.

[*Translation*]

In response to the question of the member for Saint-Boniface about the 3 per cent warranty cost, it is important that I remind my colleague of the parameters of the Canadian Student Loan Program called CSLP.

Firstly, the federal government does not offer loans to students. He gives a warranty to lending institutions that the loans granted by them to full time postsecundary students will be refunded.

Secondly, the program pays the interests on the loan for the duration of the studies and up until six months after their completion.

Lastly, more than 200 000 borrowing students enjoy fixed interest rates and attractive terms of redemption, among other benefits. Since its creation, in 1964, the program has been an important source of support for postsecundary students, with a total amount of guaranteed loans of more than 6 billions granted to more than 1.7 million students.

The reason why a 3 per cent warranty cost is imposed is, Mr. Speaker, that statutory expenses for CSLP have increased from 300 millions dollars, in 1985–1986 to 442 millions in 1990–1991.

When a student does not refund his loan to the financial institution according to the pre-conditions, it is the government that refunds the institution and takes charge of the grievance procedure with the students at fault. I do not know if my colleague knows how many they are and how they do that, but it is terrible.

Mr. Speaker, the commitment of the government to helping the postsecundary students remains as firm as it has been since the creation of this program, 27 years ago. Our government is also committed to reduce the national deficit.

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. parliamentary secretary.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, October 9, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

PHILLIPS CABLES

Mr. Jim Jordan (Leeds—Grenville): The workers at Phillips Cables in Brockville, Ontario have recently agreed to an unheard of four year wage freeze, that is zero, zero, zero and zero as well as other wage concessions.

Mr. Speaker, these major and very generous concessions by the workers of Phillips Cables are being offered to give the employers options as they try to compete in today's world market. These actions will result in far less disposable income for the workers of Phillips Cables for several years to come. As President Brian McDougall of Local 510 of the Communication and Electrical Workers of Canada has said, "the ball is in the company's court now".

It is hoped that when the company is considering its plans for the future of Phillips Cables in Brockville, it will take into account and remember the loyal and generous workforce that has made a tremendous sacrifice in their acceptance of a four year wage freeze in order that the plant may remain open in Brockville.

* * *

PERSONS CASE

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I offer very warm congratulations to Dr. Ursula Franklin, a recipient of the 1991 Governor General's Award in commemoration of the Persons case.

A distinguished scientist, teacher, the first tenured female professor at the University of Toronto and a well-known public speaker, Dr. Franklin has been a tremendous source of inspiration for women across Canada in the fields of science, technology and education.

She has devoted much of her time to promoting the interests of women in academia and to encouraging young women to consider non-traditional careers. Like the famous five Alberta women who fought to have women considered as persons under the British North America Act, Dr. Franklin is an outstanding role model for young women.

I ask my hon. colleagues to join me in showing appreciation of Dr. Franklin's many achievements. She is a person who has made a difference.

* * *

THE ENVIRONMENT

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I join in the congratulations to Dr. Ursula Franklin and note that Dr. Franklin has a reputation as one being vigorously opposed to nuclear energy in this country.

My concern is about another scientist, a Dr. Rudd, who works with the Department of Fisheries and Oceans. We saw reported on the news last night that he is being stifled by this government, by his department, in bringing to the attention of the public certain things which he has found out with respect to the effect of massive flooding on the production of greenhouse gases.

I would ask the government to instruct the department to permit Dr. Rudd to make this kind of information available. It will be too late if it waits, as has been suggested, for two or three years for this information to become complete. By that time we would well be in to the development stage of the Great Whale project which is something I think all Canadians are very concerned about and have come to be very sceptical about.

It is time for us to re-think our commitment to massive flooding of northern Canada as a way to solve our export and/or our energy problem.

S. O. 31

FAMILY LIFE EDUCATION COUNCIL

Mr. Al Johnson (Calgary North): Mr. Speaker, Calgary is privileged to have an extraordinary organization working to support families. FLEC, the Family Life Education Council of Calgary, can be proud of the role it has played in bringing hundreds of family support organizations together. It co-ordinates information exchange and referrals among Calgary's family support services.

This being National Family Week, I am particularly pleased to honour FLEC today, since it was FLEC that initiated family week in Calgary in 1971. In 1985 it became a national event sponsored by Family Services Canada.

On Monday I attended the National Family Week kick-off breakfast in Calgary. Some 190 people were present, representing 85 of Calgary's family support organizations. I applaud all these organizations for their role in preserving our traditional values. Their efforts clearly capture the spirit of National Family Week, strengthening families, a plus for all of us.

* * *

EDUCATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, today the Commission of Inquiry on Canadian University Education released its report summarizing more than a year's research.

The commission strongly recommends that the government make a student loan program widely available, with loan payments automatically deducted from income once the graduate's income rises above a certain level.

Such a program would give low-income students better access to education. This measure could also reduce the pressure on full-time university students. They would no longer have to work extra time to pay for their education, and they would no longer face the threat of a huge, unpayable loan as a graduation gift.

As a result, students would find it easier to graduate. Currently about 50 per cent do not complete their programs. This government keeps cutting back funding for education, Mr. Speaker. This year alone the government has cut $1.3 billion from college and university funding, while tuition fees have increased between 6 per cent and 25 per cent.

I strongly urge the government to endorse the commission's recommendation and take action to make education accessible to all Canadians.

* * *

[*Translation*]

GUN CONTROL

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, a few months ago, my government tabled a bill to reinforce gun control. Canadians have spoken out in favour of tighter gun controls. This clearly shows the kind of society Canadians want today, and we in this House must ensure that our legislation reflects the choice of the people.

Bill C-17, although not perfect, is a satisfactory response to the concerns of Canadians that also respects the rights of firearms users. Any amendment tabled in this House must support the principle of establishing stricter and more effective gun controls in this country. Any amendment that does not should be rejected outright by members of this House.

Mr. Speaker, Bill C-17 is a good bill that provides Canadians with the kind of protection they expect in our society. We are choosing the kind of society we want, and we must do so without hesitation.

* * *

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mrs. Coline Campbell (South West Nova): Mr. Speaker, last week the Official Opposition in this House held an opposition day on Canada and its position on GATT. Prior to that, my colleagues and I and my party met with supply management groups from across Canada representing farmers on the disastrous effects of a GATT without Article XI. I want to add my support to those 500 Nova Scotia farmers who passed a resolution in Canning, Nova Scotia last Friday, a resolution that both my colleagues from Annapolis Valley and South Shore have endorsed in this House.

• (1410)

I want to read that resolution into the record:

Be it resolved,

That the 500 people gathered at this meeting reaffirm support for Canada's official position as stated at the GATT negotiations in Brussels in 1990, and

That any deviation from this position without the support of Canadian agriculture would be totally unacceptable.

* * *

CORRECTIONS AND CONDITIONAL RELEASE ACT

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I rise today to express my strong support for reforming Canada's penitentiary and parole system.

Key proposals in the legislation will tighten parole eligibility for violent and serious drug crimes. In these cases, full parole can be delayed at a judge's discretion to one-half the sentence from the current one-third.

This bill also adds sexual offences against children and serious drug offences to the existing category of violent crimes so that these criminals can be kept in a penitentiary for their entire sentence.

Victims of crime will be recognized in law for the first time. This legislation is the first major reform of the penitentiary and parole system in Canada for decades.

Protection of society is the primary objective of the Corrections and Conditional Release Act.

I applaud this legislation which reflects the wishes of Canadians to restore public confidence in the system and make our communities safer.

* * *

CORPORATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, this week we have three more nominees for the corporate carpetbagger award.

Nominee number one: Inglis Ltd.; 650 jobs lost; moved its manufacturing production in January 1991 from Toronto to the United States.

Nominee number two: Bendix Safety Restraint Ltd.; moved its production from Collingwood, Ontario, to the maquiladoras. The last 80 workers lost their jobs in October 1990.

Nominee number three: Redirack; 136 jobs lost. Redirack shut down on Friday, September 28, 1990 informing its employees of the closure with letters to their homes on Saturday, September 29. It moved its Toronto production to Oakwood, Illinois.

The envelope please. The corporate carpetbagger of the week is Bendix Safety Restraint Ltd.

* * *

PERSONS CASE

Mr. Al Horning (Okanagan Centre): Mr. Speaker, I am privileged to rise today to offer my congratulations to Jane Manuel of Chase, British Columbia. Jane Manuel is a highly respected figure in her community and in the British Columbia Native Women's Society.

Her many efforts to improve the lives of aboriginal women in her province and her work to repeal the sections of the Indian Act that are discriminatory to women have now been recognized with her receipt of the 1991 Governor General's Award in commemoration of the Persons case. Placing the welfare of her people above all else, she has dedicated many years to working with aboriginal people on health related and legal issues, including child welfare and drug and alcohol abuse.

She has also been active in fostering the renaissance of traditional beliefs and culture in her community.

I am very pleased that Jane Manuel has received this honour for her service to Canadian women.

* * *

[*Translation*]

WORLD SUMMIT FOR CHILDREN

Mrs. Carole Jacques (Mercier): Mr. Speaker, I rise in the House today to congratulate more than 1,000 children who signed a petition supporting the commitment made by the Prime Minister of Canada at the World Summit for Children.

This petition was signed by the following schools in my riding: Félix Leclerc, François La Bernade, René Pelletier, Saint-Marcel, Sainte Marguerite Bourgeoys, Sainte Maria Goretti, Saint-Octave.

On behalf of these children in my riding, Mr. Speaker, I want to thank the Prime Minister of Canada for his interest and for the concern he has shown for the children of this world. And here are the petitions, Mr. Speaker.

Oral Questions

THE ECONOMY

Mr. Guy Arseneault (Restigouche—Chaleur): Mr. Speaker, Canada's economy is in a free fall as a result of the poorly designed policies of the Tory government and its failure to act.

The government has said repeatedly that it has to keep interest rates up to fight inflation, conveniently forgetting that its policies created the problem in the first place.

If we consider that the same government is maintaining an overvalued dollar, we have a recipe for creating an army reserve of unemployed Canadians, to quote Professor Thomas Courchene. In fact, the government's obsession with maintaining the dollar at this level is devastating for many sectors in our economy.

[*English*]

The Tory high dollar is taking its toll on agriculture, tourism and all export related sectors. We have heard enough of the government's pious platitudes, pretending that it has the best interests of all Canadians as motivation behind its economic policies.

The government must stop devising fly-by-night and knee-jerk strategies that imperil our future. It must put our economy back on track by lowering both our interest rate and the dollar.

* * *

YUGOSLAVIA

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, the world is watching in horror as the Yugoslavian army decimates the people of Croatia.

The world cannot and must not stand by as witnesses of the destruction of a people. Canada and the world must act now. In March of this year as chairman of the Canada-Europe Parliamentary Association, I tabled a report calling for United Nations involvement in Yugoslavia.

I am pleased to see our Prime Minister taking action at the UN Security Council offering the use of Canadian soldiers as peacekeepers. This decisive leadership is certainly applauded.

The people of Croatia have democratically determined their future as an independent nation. I call upon the Government of Canada to recognize this fact and act immediately.

We must not fail our friends in Croatia. Let peace descend upon that troubled nation.

* * *

JUSTICE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Supreme Court decision was split four to three when it decided to allow the extradition of Joseph Kindler and Charles Ng.

Supreme Court judges Cory, Sopinka and Lamer in their dissent wrote: "Canada has the obligation not to extradite a person to face a cruel and unusual treatment or punishment—To surrender a fugitive who may be subject to the death penalty violates section 12 of the charter just as surely as would the execution of the fugitive in Canada".

It follows that the minister must not surrender the appellant without obtaining the undertaking described in Article 6 of the treaty which simply requires the requesting state to undertake that it will substitute a penalty of life imprisonment for the execution of the prisoner if that prisoner is found to be guilty of the crime. The Minister of Justice did not even ask the United States to give such assurances.

"To refuse to seek such assurances is to give an official blessing to the death penalty despite the fact that Canadian public policy stands firmly opposed to its use." wrote Mr. Justice Sopinka, while Mr. Justice Cory called capital punishment the "ultimate desecration of human dignity."

These words are an indictment of the minister's action.

ORAL QUESTION PERIOD

[*Translation*]

AGRICULTURE

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my question is for the Prime Minister. This weekend, Canadians will celebrate Thanksgiving, a holiday that traditionally highlights the valuable contribution made by our farmers, their contribution to our national identity and sovereignty.

Today, each farmer produces the food that 65 families need. Nevertheless, most farmers' wives must work off the farm just to make ends meet.

Is the Prime Minister prepared to provide emergency aid of $1.3 billion in new money immediately? Is he prepared to help these farmers not next week but today so they do not lose their farms, their daily livelihood?

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, according to what was said in the House yesterday and on several other occasions since 1985, this government has understood the difficulty in rural Canada.

This government has increased the expenditures in the agricultural area some 650 per cent.

The hon. member is quite right. The agricultural industry in this country produces high quality food. Canadians spend less than 15 per cent of their disposable income in food.

I can tell the hon. member the ongoing discussions that we have had concerning the third line of defence with various agricultural groups will bear fruit. The hon. member will have to wait. We understand the urgency and are addressing it in that way.

• (1420)

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, the most recent bankruptcy figures released today show that in the month of August one farmer a day went bankrupt in Saskatchewan. Last year, this government cut farm support programs by $1.3 billion and it has refused all year to provide an emergency aid package of $1.3 billion in new money for Canadian producers.

How many more farmers have to leave their farms, their homes and their livelihoods before this government will announce a program of emergency assistance for our grain farmers?

I would like to ask the Prime Minister or the Minister of Agriculture: Why won't you put cash in the pockets of farmers right now—

Mr. Speaker: I would ask hon. members to remember that we have a tradition in this place that questions are put through the Chair and not directly to the minister.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I welcome the hon. member's new-found interest in agriculture and I presume it is sincere. The hon. member says "Why won't you do it today". The hon. member is fully aware of the difficult decisions that government has to make in order to bring a deficit that was created by the party he now represents under control.

We have in the past been able to address the needs of Canadian agriculture. As I have said on several occasions, prior to September of this year, over $500 million had moved to Canadian agriculture, particularly for grain and oilseeds producers. Between now and the end of this year some $1.5 billion will flow from the safety net programs GRIP and NISA. Before seeding next year there will be an additional $1.1 billion. The producers, the provinces and the Government of Canada have contributed to this action.

I say to the hon. member that we recognize that that is not enough. The Prime Minister has recognized it is not enough. This government will do its best to address the shortfall which we recognize. I hope the hon. member will recognize it when it is done.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, as we speak some 7,000 farmers and their urban supporters are gathering at the legislature in Manitoba. Towns have closed down. Something like 80 buses have brought people to Winnipeg today for a gathering to demand action which should have been forthcoming last year, as the minister knows. The government has known about the problem for months and has done nothing.

What is the Prime Minister waiting for? Another midnight call from Grant Devine? When will the Prime Minister and the government stop playing politics with our farmers? When will the government put 1.3 billion new dollars in the pockets of men and women across Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker—

Some hon. members: Oh, oh.

Mr. Mulroney: Mr. Speaker, I find it passing strange. I am asked a question, I stand up to answer it and the Liberals start to hoot and howl. The farmers will really be questioning the sincerity of the questioner on such an important matter.

In response to a question from my friend's leader yesterday, I indicated that the Minister of Finance and the Minister of Agriculture, pursuant to a meeting I had with the farmers in Winnipeg last Friday, would be bringing forward recommendations possibly to cabinet as early as tomorrow morning and that shortly thereafter I would be in touch with the House to advise it of what they might be.

There was a statement issued today by Ralph Jespersen, president of the Canadian Federation of Agriculture, who expressed his strong satisfaction with statements and commitments that this government has made. The minister has pointed out that in this very serious problem of Canadian agriculture, we have already increased aid by over some 650 per cent beyond the limits we found it some seven years ago. I recognize that this is not perfect and the farmers are hurting. We plan to do more, but I think my hon. friend would agree that this attitude is better for farmers and their families than that of a former Prime Minister who said: "Why should I sell your wheat".

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PORK INDUSTRY

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the Prime Minister knows he has yet to keep his promise to Canadian farmers.

My question is to the Prime Minister. The Prime Minister should be aware that the American government is slapping a $22 per hog duty on live hogs being shipped to the United States from Canada, a 300 per cent increase. This will have a devastating impact on our pork producers already facing tough times and clearly goes against the free trade agreement.

Will the Prime Minister explain to this House what he is planning to do to protect our Canadian pork producers?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the hon. member I know has a longer memory than he professes to have. He can recall just within the last four months that because of the CUSFTA, Canada–U.S. Free Trade Agreement, we were able to take action against unfair trading practices by the United States government. We put forward the facts and were successful.

As the hon. member knows, the third and fourth panels found that there was subsidy. We are discussing with the Pork Council to use the same method as in the past for a presentation of facts to a Chapter 19 panel. Once we present the facts, we abide by the recommendation or the outcome of the panel.

We have a process and we will put forward the facts in conjunction with the industry as we did previously and we were successful at that time.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my supplementary is also to the Prime Minister.

The Prime Minister knows that the U.S. government subsidizes its pork producers in various ways. His government failed Canadians by not getting the definition of subsidy prior to signing the free trade agreement. Now the U.S. is defining subsidies when it wants it and how it wants it just to meet its needs.

I ask the Prime Minister: When is he going to stand up to the Americans on behalf of Canadians and get fair trading rules with the Americans?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, at one point the hon. member from the opposition says: "Why do we not define what a subsidy is". I draw to his attention the dispute resolution mechanism in CUSFTA which even he recognizes works and the pork producers recognize that it works. I suggest to him that we are going to continue to use the process to define subsidies.

We will work with the pork industry to present the facts to a panel. The panel will make the decision on the presentation of those facts.

* * *

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is to the Minister of Agriculture.

Yesterday, Saskatchewan Premier Grant Devine came to Ottawa to meet with the minister. Can the minister tell us if Mr. Devine has now come around to the realization that a third line of defence payment of $1.3 billion is needed? And can the minister assure this House that any aid package that will be announced on Friday deals directly and specifically with the $1.3 billion shortfall in average net income for the 1990–91 crop year and will not borrow money from GRIP and NISA payments due in the 1991–92 crop year?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I find it strange that the hon. member has a concern that I met with the premier of the province of Saskatchewan.

This government and the ministers of this government meet with premiers as part of our responsibilities. He will recall that I met the premier of Prince Edward Island about a very serious matter within his province.

The premier of Saskatchewan wrote my colleague, the minister responsible for the Canadian Wheat Board, and myself on September 28 expressing his view of the shortfall. The hon. member knows the contents of that letter. It has been widely circulated. The premier of the province last night put forward a very strong case on behalf of agriculture in Canada, not just in Saskatchewan, but agriculture in Canada. We have met on other occasions and we will continue to meet to address needs of the farmers.

The hon. member knows there will be an announcement coming shortly and I advise him to wait. He knows what we have done in the past for producers, he has recognized that.

• (1430)

Mr. Vic Althouse (Mackenzie): Mr. Speaker, today on a Regina open line program, the premier was implying that a guarantee of $5 for wheat for the next five years had been made. Will the minister give this House that same commitment?

Hon. Bill McKnight (Minister of Agriculture): As the hon. member knows, I am not going to criticize the premier's arithmetic. The hon. member knows that at this time the GRIP, the assistance program that was designed by farmers, the provinces and the Government of Canada, a price of some $4.15 a bushel was put forward.

* * *

PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is to the same minister. The minister knows that the port of Churchill is issuing layoff notices as early as Friday of this week as almost all the grain that goes through Churchill comes from the province of Saskatchewan and for over 10 days over 10,000 tonnes of grain has been sitting at Hudson Bay, Saskatchewan, instead of being delivered to the port of Churchill, which is almost completely empty. How can this government say it is trying to sell all the wheat that is out there?

Hon. Bill McKnight (Minister of Agriculture): First of all, I do not know of the vessel availability for the port of Churchill. If the NDP would just be quiet we could try and discuss this because it is important to farmers, if it is not important to the hon. member from Edmonton.

What we have now is a work stoppage in Thunder Bay. To my knowledge, we do not have vessels in Churchill. I say to the hon. member, and I know members from the Canadian Wheat Board district will agree, the mandate of the Canadian Wheat Board is to maximize returns to the producers. The Canadian Wheat Board has done that very well in the past and will continue to do it.

I suggest to the hon. member if there is a reason, it may be that returns are not being maximized according to his suggestion, but in the way the Wheat Board has been doing business over the last number of years.

* * *

GATT

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, the Uruguay round of GATT negotiations is entering a crucial phase. Canada is at a difficult crossroad. We will be facing strong international pressures to abandon our position in support of article XI, which allows for effective supply management programs in dairy and poultry.

Will the minister assure the poultry and dairy farmers of Canada here today that the Canadian government will not be part of any GATT agreement that fails to maintain, enhance and strengthen article XI of GATT?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, as always the policy of this government has been developed with stakeholders. The policy we have put forward, the enhancing and strengthening of article XI through the Uruguay round was developed with the supply managed industries and with the producers in Canada. We have not changed that position.

I can tell the hon. member, rather than receiving pressure to bring about change, I have been meeting with the U.S. Secretary of Agriculture, Secretary Madigan. I have been meeting with the European Commissioner of Agriculture, Ray McSharry. Rather than receiving pressure from the European Community, I received support for our position, because they believe there is an opportunity for Canada and the European Community to work together to clarify and strengthen article XI.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to direct my supplementary question to the Prime Minister. Canadian farmers want firm assurances from the Prime Minister. Can he promise us today that his government will protect and strengthen article XI of GATT that allows farmers to have quotas? Is he prepared to undertake not to sign any multilateral agreement that does not protect the quotas of Canadian farmers?

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I am sorry that the hon. member must have missed by answer to his colleague. The same question was asked in another language.

I say to the hon. member that the policy of this government and what we have put forward in strengthening and enhancing article XI in the Uruguay round was developed with the producers in Canada, developed with provinces in Canada. It is there. We have not backed away. As I have said on other occasions, we are seeking alliances within the Uruguay round. The hon. member keeps shaking his finger and muttering things. I am not too sure whether he is interested or whether he is grandstanding.

AGRICULTURE

Mr. Joe McGuire (Egmont): Mr. Speaker, I have a question for the Minister of Agriculture in the absence of the Minister for Grains and Oilseeds. Atlantic Canadian agriculture is in a very unfair position. For example, transportation costs for grain makes it 11.5 per cent more expensive to produce dairy products in Atlantic Canada than it does in Quebec, and 33 per cent more expensive to produce hogs than it does in Ontario.

This government has effectively reduced transportation assistance to Atlantic Canada by 60 per cent.

Will the minister now give assurance to this House that he will respond to the needs of Atlantic Canadian farmers and implement the Atlantic Canada feed policy proposal put forward by the Atlantic Farmers Council last June?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, without giving credibility to the numbers that my hon. friend has put forward, I can inform him, as he well knows, that under feed freight assistance the Government of Canada on behalf of Canadians provides assistance to the agricultural sector in Atlantic Canada. As he also knows, at a meeting of federal–provincial ministers of agriculture in Kananaskis last July there was a decision made by all ministers present that we would study the transportation system as it pertains to agriculture. That means the feed freight assistance system in Atlantic Canada; it means the western grain transportation system in western Canada.

We are studying that to see that the dollars we have put forward on behalf of the Canadian taxpayers through agriculture is being used in the best interests of producers, and that has the support of producers.

Mr. Joe McGuire (Egmont): Mr. Speaker, according to a proposal the Atlantic Farmers Council made, the federal expenditures in support of the agri–food industry over the past 10 years rose in Atlantic Canada by 4.3 per cent; in Ontario and Quebec by 9.2 per cent; and in the prairie provinces and western Canada 29.5 per cent.

That does not seem to me to be very equitable treatment for Atlantic Canada in comparison to its immediate neighbours to the west.

A supplementary question to the same minister, Mr. Speaker. At the meeting in Alberta in July, every provincial minister of agriculture endorsed the proposal because they all knew full well that the Atlantic Canadian farmers were getting shafted.

Will the minister give an undertaking to this House that he will respond to the desperate need for feed freight assistance and put Atlantic Canada back on a level playing field, and will he assure us—and this is most important, Mr. Speaker—that this assistance will not be countervailable under this government's free trade agreement?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the hon. member in his previous question suggested that there was a necessity to provide grain to the agricultural sector in Atlantic Canada because of its importance in supply management. He knows better than I do that one of the benefits of supply managed industries in Canada and one of the reasons that producers and governments support them so fiercely is because they take the cost of their production out of the supply managed system.

Therefore, I suggest to the hon. member, if he speaks to his colleagues in Atlantic Canada, if the supply managed system in Atlantic Canada was not taking a double bite, one out of the supply managed system and the other out of the free trade assistance, there would be adequate support for the feed freight assistance in those non-supply managed areas in Atlantic Canada.

Mrs. Campbell (South West Nova): Smoke and mirrors, smoke and mirrors.

* * *

SHIPBUILDING INDUSTRY

Ms. Margaret Mitchell (Vancouver East): My question is to the Prime Minister.

West coast shipyard workers are incensed at the unfairness in the awarding of shipbuilding contracts by this federal government, which denied the promised *Polar 8* to B.C., closed down our largest shipyard and laid off hundreds of workers, as the Prime Minister knows. Meanwhile, Quebec shipyards receive billion dollar contracts and the maritimes have contracts worth millions.

What does the government intend to do to restore the B.C. shipbuilding industry and treat B.C. equitably? We also are part of Canada.

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, the hon. member, if she has been following the rationalization of shipbuilding in this country, will realize that there has been rationalization on the Great Lakes, there has been a great deal of rationalization in shipbuilding capacity on the St. Lawrence, there has been some in western Canada, and we are looking forward at some time to be able to introduce it in the maritimes.

On the contracts which have been given, I should point out to the hon. member, that the contract which was won in the Halifax-Dartmouth industry was won clearly by that, and the bid that was put in by the west coast industry in 1988 was not successful in that bidding process. They failed.

• (1440)

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, we in British Columbia know that rationalizations mean shutdowns and unemployment, not revitalization.

Literally hundreds of skilled maritime workers who are very senior workers have been on welfare for almost up to two years. This is because of the government's delay in providing appropriate compensation which was promised.

What is the government's work adjustment plan and when will these older workers receive their promised compensation?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, there have been discussions going on with the province of British Columbia and with the various maritime outfits out there in putting together a proper plan. We are looking forward to receiving that finally. It should be coming forth within the next couple of weeks.

I should point out that in that last major shipbuilding contract that went to Halifax Dartmouth Industries and Fenco the largest part, the most intelligent part, the part with all the brains and new high technology, all went to British Columbia, to MacDonald Dettwiler. Fifty million dollars of that went to MacDonald Dettwiler.

YUGOSLAVIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is for the right hon. Prime Minister concerning the crisis in Yugoslavia.

The latest cease-fire with the basic terms being to lift the naval blockade, withdraw troops from the barrack areas, and begin the distribution of release supplies to the cities is the most promising to date.

It is essential that the international community do everything in its power to ensure, unlike previous cease-fires, that this one has a chance to succeed.

Would the Prime Minister share with Canadians what additional action the Canadian government has taken today to ensure strict adherence to the cease-fire by all parties involved and to bring an end to the unnecessary violence and bloodshed in Yugoslavia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend may recall that the Government of Canada was the first government to prevail upon the Secretary-General of the United Nations to involve himself and his organization in the great tragedy that was unfolding in Yugoslavia.

As a result of that and subsequent actions taken by other G-7 members, the Secretary-General of the United Nations appointed Mr. Cyrus Vance as a special envoy to Yugoslavia. He is to depart imminently, we understand, for Yugoslavia and help arrange a cease-fire that we believe and hope will be permanent and durable.

To that end Canada originally asked for the invocation of the United Nations special authority. We offered concurrent with that the presence of Canadian peacekeeping forces as an important component of a more global and comprehensive United Nations approach to the Yugoslav tragedy.

We are happy to see that progress along these lines is being made because we believe that the dimensions of the tragedy in Yugoslavia are so enormous that it took more than the European community, that it would take the intervention of the UN Security Council, and that process has now begun.

* * *

HAITI

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my supplementary question is also for the Prime Minister.

Yesterday the OAS, in its efforts to return President Aristide to power in Haiti, corroborated the recommendations of Aristide by calling for a trade embargo against Haiti. Our Secretary of State for External Affairs offered Canadian participation in an international observer team to monitor Haitian human rights situations and to bolster democratic institutions.

I would like to know what specific action the government has taken here in Canada to implement and support these statements.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have been very active. The Secretary of State for External Affairs is one of the architects of the policy of the OAS. She very ably and I think courageously represented Canada's interests in Haiti in extremely difficult circumstances. She has participated in putting together a package of sanctions and other pacific means of causing the will of the OAS to be implemented and respected.

We are acting on that and a number of other fronts to try and bring about the reinstallation, the restoration of the democratically elected president of Haiti. To that end we have volunteered, for example, the presence of civilian Canadians as part of a larger OAS or United Nations force. This is because we believe that one of the errors that was made was that while peacekeeping observers were sent in advance of the elections, democracy and democratic institutions in Haiti are much too embryonic to have been left alone immediately thereafter.

There is a very important role for the United Nations and the OAS in making sure that a commission of surveillance be there to assist in revitalizing democratic institutions in Haiti which have not existed there forever and a day.

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FISHERIES

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, in St. John's, Newfoundland this morning offices of the fishermen's union were attacked by an angry and frustrated group of fishermen. They are threatening to do the same thing with the federal fisheries offices as well.

Fishermen are upset everywhere because of low quotas for Canadian fishermen off the east coast of Canada, while foreign nations are having a field day both outside and inside the 200-mile zone.

I want to ask the Minister of Fisheries and Oceans why this government negotiated a few weeks ago quotas for next year, for 1992, in zone 3NO where all of this dispute is taking place, inside and outside the 200-mile zone, 6,000 tonnes of cod for Canada, 7,200 tonnes for foreign nations, 1,600 tonnes to the U.S.S.R., all within the 200-mile zone.

Why does this government continue to infuriate fishermen with this preference for foreign fishing fleets?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I will not and cannot enter into debate with the hon. member on all the things he said.

Some hon. members: Oh, oh.

Mr. Valcourt: Let me advise the House, I mean those who are interested in fishermen, that as we speak officials of the Department of Fisheries and Oceans are meeting with the fishermen in Newfoundland to try to solve the problem that the member just outlined.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, last night—and this is typical of what really infuriates Canadian fishermen—another Canadian boat was arrested, six crew members aboard, by the warship *Margaree*, 240 crew, and a fisheries patrol vessel. The Canadian skipper was arrested as he was between two Spanish purse seine fishing boats. The Spanish boats were not boarded—this is inside the 200-mile zone—and the Canadian boat had a measly 200 pounds of cod aboard that was being used for bait.

Our fishermen want to know why these foreign boats are not being boarded. What does the government think the Spanish boats were doing? They certainly were not catching a sun-tan.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Another Liberal who talks about deportation.

Mr. Speaker, I have just indicated to the hon. member that officials of the Department of Fisheries and Oceans are working right now with the fishermen in Newfoundland to try to address their concern. I think instead of just throwing oil on the fire the hon. member, maybe for a first, could come up with a positive suggestion to help the fishermen and stop just gabbling at it.

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IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is also for the Minister of Employment and Immigration.

Recently the minister's message to the executive of the United Nations High Commission for Refugees stated that there is need for a better protection of the neediest refugees such as women and children who are the majority of the 18 million, some of them needing resettlement in countries like Canada.

However, since 1988, under Canada's program *Women at Risk* which has no ceiling, this government has landed only 32 cases of mother-led families per year.

• (1450)

My question for the minister is: Will he undertake to follow his own good advice by bringing in at least 100 women at risk this year?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I hope that the hon. member is not criticizing Canada and the refugee determination process that the government has put in place. Canada's reputation in the world is one that is envied. We are as a government and we are as a country doing our share.

I met recently with the UNHCR representative in Canada who is lauding Canada's collaboration and co-operation with the UNHCR, and we are going to continue in that direction.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question was not about the determination process in Canada, as the minister would prefer to think. My question is about our overseas program in which the government has announced that it will only bring in half as many refugees this year as the measly 13,000 that it has promised for the last four years.

I am asking him: Will he try to fill that gap with some and more of these women at risk with their children at risk?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the reason why Canada was unable to meet that target of $13,000 is because of the situation in that part of the world which the hon. member well knows.

What we did instead was take 2,000 of this 13,000 target and speed up the admission to Canada of members of the families of refugees who have been determined as such in this country. That again was lauded by the UNHCR which thinks that Canada is doing a super job.

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[*Translation*]

MINING

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Quebec mining industry eagerly awaits the signing of the next Canada-Quebec agreement on mineral development. Quebec and Canada are about to come to an agreement on tourism, regional development and forests. Has Quebec started negotiating with the federal government on a subsidiary agreement on mineral development for the mining sector?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, we have indeed received authority from the Governor in Council to negotiate agreements, first on industrial development, forests and tourism, and that is what we are doing with the Government of Quebec. As for mining, Quebec had not originally given it particular priority. However, Mr. Speaker, my hon. colleague, the Minister of Energy, Mines and Resources, tells me that he is in contact with the Quebec Minister of Mines and if that province expresses a particular interest, we will obviously be prepared to consider the question.

* * *

[*English*]

PORT OF THUNDER BAY

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my question is for the Minister of Labour.

The minister sent one of his officials to Thunder Bay last night to meet with both parties in the Lakehead grain elevator workers' dispute. At present it is unclear what role the official is playing.

Can the minister clarify for us what exactly Mr. Edmondson is doing in Thunder Bay, what he has reported to the minister to date on his discussions with both parties and, further, can he tell this House whether he is intending to introduce back-to-work legislation?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I did send the director general of Labour Canada's mediation and conciliation service to Thunder Bay to assess the situation after having talked to the union leader and the lawyer representing the pools. Mr. Edmondson will get back to me later today.

My message to the parties in this dispute is that they should settle it themselves. My colleague is aware that over 90 per cent of work disputes in this country are settled through the collective bargaining process. We want them to settle and we want them to settle now.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, the union wrote to the minister last night requesting that he use provisions available to him under the Canada Labour Code and appoint an industrial inquiry into the grain handling industry in Canada. There have been significant changes in this industry over the years. The last industrial inquiry in 1975 dealt only with the Vancouver port.

Will the minister agree in this House today to call an industrial inquiry into the grain handling industry? Also, would he look particularly to the sector in Thunder Bay to see if there is any way we can help this port with its difficulties in the future?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I did speak to the union president, Mr. Daniher and he did bring up the subject of an industrial inquiry commission. He was quite specific in his conversation with me when he said: "Let's talk about this issue once this dispute is settled".

I would ask that all efforts at this time go into settling the dispute.

INDIAN AFFAIRS

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Micmac Family and Children's Services of Nova Scotia was informed last week by Indian Affairs Atlantic that it had been refused funding under Project Haven for a desperately needed transition House for native women and children.

Could the minister tell us why this desperately needed project has been turned down?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sorry to advise the hon. member that I am not aware of the reasons for rejection.

I am certainly very familiar with Project Haven and the tremendous importance it has for aboriginal communities, women and families in need, and I will certainly look into this matter immediately.

Ms. Mary Clancy (Halifax): Mr. Speaker, the problem here is that the minister's own regional office had told Micmac Family and Children's Services that its documents were out of time. However its documents were in time. They were in the multi-year plan and they were declared to be the primary priority of the department.

I understand that the minister is not aware of the situation, but I ask that he undertake today to review this situation as there are no services for native women and their children in Nova Scotia today.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the normal means of raising such an important issue on the part of a member of Parliament is to send me a note to lay out the circumstances that the hon. member will raise with the House so I might be given the benefit of an opportunity to seek an explanation from my officials.

I have undertaken to do so. I only regret that the hon. member did not call me earlier, before raising the question.

[*Translation*]

GOVERNMENT PUBLICITY

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Prime Minister.

Today, ten million Canadians received a very personal message from his government. Indeed, the government, through its propaganda agency, just sent out ten million pamphlets. I looked through that document but I can't find the Prime Minister.

My question to the Prime Minister is: Does he not endorse those proposals? Is he ashamed of them or is he ashamed of himself?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought I had seen everything. Last week, I saw his acting leader defend federalism, and now the hon. member is taking my defence, protecting my interests!

Some hon. members: Oh, oh!

Mr. Mulroney: If my picture appeared on the leaflet, the hon. member would be the first to rise and complain that the Canadian government was engaging in partisan propaganda. Canadians know that when the awards are handed out, the hon. member for Shefford will win first prize in Canada for hypocrisy!

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary question.

Of course, the Prime Minister's picture is not in that leaflet, which is nevertheless a document of constitutional propaganda, of partisan propaganda and of personal propaganda, not for him but for his successor.

I therefore ask the Prime Minister: How can he justify spending $15 million to promote his successor for the leadership of the Conservative Party?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, having won first prize for hypocrisy, the hon. member now wins second prize for stupidity!

Mr. Speaker, I certainly don't know who will succeed me at the head of the Conservative Party, but it won't be for a long time yet. Also, whoever succeeds me will be Prime Minister of Canada. But you, my friend, never will be!

• (1500)

PROPOSALS ON ECONOMIC UNION

Mr. Gaby Larrivée (joliette): Mr. Speaker, my question is for my hon. colleague, the Minister of National Revenue. According to an article published on October 4 in the *Journal de Montréal*, the finance critic of the Parti Québécois said: "Otto Jelinek has just revealed the true nature of the federal proposals by saying that Ontario would never have increased its deficit 300 per cent had the economic union been in place." Mr. Speaker, can the minister explain that statement, taking into account that the Minister of Federal–Provincial Relations says that the new proposals for economic union will have no effect on the province's budget policies?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I believe that concerns arise out of the misleading headline in *Le Devoir* last week which did not reflect what I said to the Canadian Institute of Chartered Accountants, nor indeed did it reflect the body of the article under that headline.

In order to clarify the situation, let me quote directly from the transcript when I said, and I quote: "The economic union package does not interfere in any way, shape or form from the provincial jurisdictions at all, budgetary or otherwise. It is not interfering with anybody's process".

I said that last week, I say it today, and I will say it tomorrow.

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MINING

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

The mining industry in northern Ontario is in dire need. Last year in the Timmins area alone we lost approximately 1,000 mining jobs. Every second day, at least once a week, we hear of a mine cutting back or closing down.

My question to the minister is: What is the minister going to do to help this industry?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member puts forward a valid question and one that is being debated both with provincial ministers and the federal government. There was a recent meeting of mines ministers in Halifax, at which time a number of industry representatives were invited including prospectors and developers.

There are some who would like to see new incentives especially for the junior companies. Most who have been giving us advice know that is not the way to go, and I agree with them.

In terms of mining, there is no question that competitiveness is taking over. It has to. Also, in terms of modernization, we seem to see some of that, for instance in Sudbury and Thompson, just to mention two.

Hopefully we can get an MDA agreement very quickly with Ontario which would help in putting forward not only new technology but also through that new technology getting additional reserves.

* * *

ALGOMA STEEL

Mr. Steve Butland (Sault Ste. Marie): At least the government is consistent. The answer is no.

I have a question for the Minister of State for Privatization through you, Mr. Speaker. On Monday the minister suggested that indeed the assistance as indicated by Finance was in order for Algoma Steel. An official from Industry, Science and Technology suggested that what the minister had said was not the decision or the final opinion as stipulated by Industry, Science and Technology.

Who knows the final answer? What is the final answer? Will there be tax credits? Yes or no.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, we have set out criteria for tax credits in those employee shared projects. The criteria is there. The provincial government of province of Ontario knows what the criteria are.

Some of the criteria cannot be met by Algoma and that is why that particular project was not approved. But the criteria is there for certain share ownership of employees. I sent the criteria to the hon. member and I am sure he understands what it is.

PRIVILEGE

WITHDRAWAL OF COMMENTS

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, during Question Period in an exchange between the Minister of Employment and Immigration and members of the NDP, there were some interjections by an hon. member from the NDP. I also made comments which I categorically and completely withdraw. The comments were inappropriate and ill advised. I want to apologize most sincerely to this House.

Some hon. members: What did you say, what did you say?

[*Translation*]

Mr. Plamondon: Mr. Speaker, on a point of order. I simply wanted to ask —

Mr. Speaker: The hon. member for Richelieu raises a point of order, but first I must recognize the hon. member for Essex—Windsor, on a question of privilege.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, as somebody who heard the reference to which the previous member has referred, which was a reference to my colleague—

Mr. Speaker: I am sorry. The tradition and the practice here is that if a withdrawal is made and it is without equivocation the matter is over. The hon. member may want to pursue it with discussions or in some other way, but the reason that the rule is applied in this way is that under some circumstances there might clearly be no end to it. It could go on and on and on and there has to be an end to it.

I have listened very carefully to the withdrawal. I regret the incident. The withdrawal is given and that is the end of it.

Is it that the hon. member for Essex—Windsor has another point of privilege? Is it something different?

I will hear the hon. member.

Mr. Langdon: My point of order, Mr. Speaker, is that if somebody is withdrawing something it is necessary in my view for the—

Point of Order

Mr. Speaker: I am trying to make it very clear that it is not appropriate to continue endlessly a debate when someone has got up and made a clear and abject apology and a withdrawal.

There has to be an end to it, otherwise we would be here all afternoon.

* * *

[*Translation*]

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Louis Plamondon (Richelieu): Mr. Speaker, just now, I was surprised to hear the Prime Minister use the words "hypocrite" and "stupid" in referring to members of this House. Is this kind of language parliamentary, Mr. Speaker? If so, we will start using it too, but I still think it would be preferable to withdraw these terms from parliamentary usage.

Mr. Speaker: I will examine the exchange that took place. Generally, the word "hypocrite" is unparliamentary, but perhaps we should consider the context—

Some hon. members: Oh, oh!

Mr. Speaker: As soon as I have had a chance to consider the context, I will hand down a ruling.

[*English*]

Mr. McCurdy: I have a point of order.

Mr. Speaker: I will hear the government House leader and then I shall hear the hon. member for Windsor—St. Clair.

DESIGNATION OF ALLOTTED DAY

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I would like to designate tomorrow an opposition day.

COMMENTS IN CHAMBER

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my colleague from Essex—Windsor tried to make a point which I insist on having the opportunity to make.

Within the last few weeks, it has been decided that there should be a committee to pay special attention to the use of sexist terms in this House.

Mr. Speaker: The difficulty that I am in—and I am sure that the hon. member would want to co-operate with the Chair—is that our tradition and our practices are that if somebody has offended this House or offended a member and said things that are clearly wrong, the responsibility then lies with the House to complain to the Speaker. If something is clearly wrong, the Speaker then orders a withdrawal or the member can be expelled or the member may not be recognized for a great deal of time.

• (1510)

The member in this case, as has been the practice, has apologized. Hon. members clearly feel very strongly about the matter as perhaps so does the Speaker. I cannot allow, just because this is a hard case and hard cases can make very bad law, that a practice build up of continuing the debate.

If the hon. member wants to broaden the scope of the advisory committee which has been raised as a consequence of some sexist remarks, I invite the hon. member to make representations to that effect.

The hon. member may remember that at the time when we had to deal with that, the Speaker made it very clear that there was more to this issue than just sexist remarks in this Chamber. Decorum does go beyond just sexist remarks. There can be other kinds of remarks that are equally offensive to all fair-minded and reasonable hon. members.

If the hon. member wants to make a suggestion to me that this be considered, I will take it up with House leaders. I ask the hon. member to co-operate with the Chair and not extend the debate over the actual exchange, which has been withdrawn.

Mr. McCurdy: Mr. Speaker, my submission is simply this. In response to a particular incident in this House, the House has undertaken to look at the issue of the use of sexist remarks in this House as a particular case.

I request now that the House expand the purview of that committee to include racist remarks in this House.

Mr. Speaker: I certainly will take the hon. member's representation and discuss it with colleagues.

I also want to thank the hon. member for co-operating with the procedural limitations in how far I could let that discussion go, and I thank him.

[*Translation*]

The hon. member for Richelieu. On the same point of order? On another point of order? The hon. member has the floor.

Mr. Plamondon: Mr. Speaker, there was a lot of noise, so I did not hear exactly what you said. Did you say you would come back with an explanation of when the word "hypocrite" may be used and when not? Or will you ask the Prime Minister to withdraw, tomorrow?

[*English*]

Mr. Speaker: What I said was that I will look very carefully what exactly was said, the context in which it was used, and I shall report back to the House.

I want to look carefully at it and I give the hon. member the undertaking that I shall do so.

ROUTINE PROCEEDINGS

[*English*]

HEALTH

NATIONAL AIDS AWARENESS WEEK

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, October 7 to 13, 1991 is National AIDS Awareness Week, and for the first time since its inception, this week is being recognized all across Canada. From Victoria to Newfoundland, community-based organizations and front-line workers will work to broaden people's knowledge of all the aspects of HIV/AIDS.

The fact that this week, which started as a small local initiative in 1984, has become a nation-wide event is a testament to the dedication and exhaustive efforts of all those involved in the fight against AIDS.

[*Translation*]

Still, information about what it means to have AIDS and how it is to be prevented needs to reach many more people.

This week is about awareness, getting as many people as possible to understand that AIDS affects all of us. It is about education and prevention and about the care, treatment and support for those who live with AIDS. It is about joining forces, increasing the collaboration between the spectrum of organizations that together are combatting this epidemic.

[*English*]

It is also about international co-operation. I announced earlier today that my department has issued a notice of compliance for DDI. This follows the first joint review of a new drug by the United States FDA and our health protection branch. This means that people with AIDS who are unable to use AZT will now have ready access to DDI. This is good news in our battle against AIDS.

[*Translation*]

HIV and AIDS have been part of Canadian society for ten years, during which the response from all levels of our society has increased substantially, Mr. Speaker. However, with a disease like AIDS, we cannot afford to become complacent, especially among those who do not see HIV and AIDS as pertinent to them. I believe it is precisely these people who need to be reached this week. The compassion and concern which characterizes Canadians can only be demonstrated when every one of us realizes that AIDS affects us all.

AIDS Awareness Week provides a chance to increase our understanding of this disease. For once we understand something, we lose the blind panic that comes from a fear of the unknown, and fashion tools to fight and eventually conquer. AIDS Awareness Week is also about learning how to provide support and compassion for those who are living with AIDS and HIV, their caregivers, friends, families and loved ones. We need to make this country a more comfortable place for people living with this disease.

[*English*]

Confronting our prejudices is not an easy task, but once these barriers are taken down, we see that illness takes precedence over discrimination. This is a message that can be shard by all walks of life to all Canadians. Awareness and knowledge will empower all of us to better understand and empathize with anyone who is affected by this illness.

Let us hope that awareness of and action against AIDS will continue long after this week is over and increase until such time as a lasting cure is found.

Mr. Speaker, I urge my fellow colleagues on all sides of this House and beyond these walls to do what you can to help in the promotion and success of AIDS Awareness Week.

Routine Proceedings

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, for you and I this week is like any other week. It is seven days long or 98 hours of work, sleep, time with friends and family. But for a person with AIDS a week can be a lifetime of wishing there was a cure for this terminal disease.

This week marks AIDS Awareness Week. It is the time when Canadians should be made aware of the seriousness of the disease, the pain and suffering this disease causes so many young men and women and children here in Canada.

I have to wonder, is it Canadians who lack the awareness, or is it the government of Canada?

The National AIDS Strategy that was announced was a tremendous disappointment. The strategy had no new moneys allocated, only a reshuffling of old money. During the previous health minister's address at the Fifth International AIDS Conference in Montreal on June 9, 1989 the minister said: "The second thing that I realized was that we can succeed in this struggle. It lies within our power. I believe that here in Canada the federal government has a crucial role to play. We can provide leadership to help mobilize everyone to work together to defeat this terrible disease".

On June 19, 1991 the Standing Committee on Health and Welfare returned its final report to the House of Commons. It contained recommendations that took months and months of consultations with expert witnesses to prepare. Among those witnesses were people who were trying to deal with AIDS, both personally and professionally. They said high risk groups were weary of HIV testing and needed guaranteed anonymity.

With guidance from these people, the standing committee recommended that there be anonymous surveys in AIDS research and that HIV testing be accompanied by appropriate guarantees of confidentiality.

• (1520)

Also the committee pushed the federal government to encourage the provinces and territories to develop more flexible forms of remuneration for physicians that will more accurately reflect the needs of patients in their practice. Last, the federal government must adequately fund community-based support groups for AIDS patients and for continuing education programs on AIDS treatment and support for physicians, nurses and other health care professionals.

Canadians would like to ask the minister; what has happened to these recommendations? It has been four months since that report was tabled in this House. Where is the urgency?

Three years ago the minister's department requested a document from the Federal Centre for AIDS. The report was meant to brief the government on the mental health needs of people who are HIV positive and the care givers of these people. Canadians want to know whether this report has been completed. When can this House expect to see it?

It is my hope and prayer that documents and studies like this one are not simple make work projects that buy the government a reprieve to do very little. Canadians want to know what became of the recommendations of the parliamentary *ad hoc* committee on AIDS requesting the government to create a joint Senate and House of Commons committee to advise the cabinet and the government on AIDS policy, thereby ensuring programs get adequate support.

I remind the minister of what Henry Sigerist, author of the book *Civilization and Disease* once said: "We must never say that health conditions are good but must rather ask ourselves constantly whether they are as good as they could be.

Mr. Speaker, please let me say this to the minister—

[*Translation*]

Mr. Lapierre: Point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford on a point of order.

Mr. Lapierre: Mr. Speaker, I regret to interrupt the House leader who was making a learned presentation, but I cannot get over— We just had what is called a minister's statement, and the minister is no longer here! Has he disappeared? The House leader is trying to comment to the minister—

The Acting Speaker (Mr. DeBlois): Order, please. I wish to remind both sides of the House that the Standing Orders say that House tradition forbids indicating the presence or absence of another member. I again recognize the hon. member for Cape Breton—East Richmond.

[*English*]

Mr. Dingwall: In conclusion, let me say this to the minister. Thousands of Canadians are painfully aware of the travesty of the horrors of AIDS. As a minister of the Crown, it is important to lessen the suffering, the sense of hopelessness and loss. The minister can make health conditions the best that they can be.

Mr. Speaker, I urge the Minister of National Health and Welfare to act and to act expeditiously this week and indeed in the weeks to come.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, October 7 to 13 has been designated as National AIDS Awareness Week. It is significant that from a small local initiative started by the lesbian and gay community in 1984, AIDS Awareness Week has become a national event that focuses on expanding the total community's understanding and knowledge about AIDS.

AIDS affects us all, not just those with AIDS and HIV, not just their families and friends and not just their care givers. Three thousand Canadians have died of AIDS. Another 30,000 are infected with HIV.

During AIDS Awareness Week we must pledge to do four things. First, we must improve our education.

We must direct education at all parts of society. We must ensure that it understand AIDS, understand how it spreads and understand how to stop the spread of AIDS.

We must focus our educational efforts on all groups: youth, aboriginal people, gays, lesbians, heterosexual couples, the total community. We must help the community understand about this disease so we can conquer our fears and prejudice.

Second, during AIDS Awareness Week, we must strive to improve our treatment of those with AIDS and HIV. This means we must turn our concern and compassion into better medical treatment and improved community care facilities. We must ensure that bureaucrats do not hold up the use of experimental drugs.

I am very happy to see that the minister has announced that DVI is going to be made available. We must expand our health and community care. We must provide support to friends, families and care givers. We must change people's fears and prejudices so that people with AIDS are not discriminated against in housing and in jobs.

There must be an amendment to the Human Rights Act as was requested by the all-party committee on AIDS and as has been promised by this government. If we are truly concerned about the treatment of people with AIDS, we must be concerned about more than just their medical treatment. We must be concerned about their rights and the quality of their life.

Third, we must commit ourselves to expanding research aimed at improving our knowledge and finding a method of eradicating this disease.

Fourth, we must continue our fight against AIDS on a global basis. Canada must continue to help, particularly developing countries, with treatment, education and prevention in AIDS.

During AIDS Awareness Week, I trust all members of this House will lead the way in helping all Canadians understand that AIDS affects the total community. AIDS awareness is not enough. We must commit ourselves to an action plan that improves the care of people living with AIDS and HIV, and an action plan that increases our research so that we may eradicate this disease.

* * *

INTERPARLIAMENTARY DELEGATION

PACIFIC PARLIAMENTARY LEAGUE FOR EDUCATION CULTURE AND ECONOMIC CO-OPERATION

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the preparation meeting for the establishment of the Pacific Parliamentary League for Education, Culture and Economic Co-operation held the 26th and 27th in Singapore.

This meeting was extremely important to Canada because Canada sells more of its exports to Asia-Pacific markets than to all of Europe. Three of Canada's largest six markets in the world are in Asia. Eight out of twenty of Canada's strongest markets in the world are in the Pacific region and 42 per cent of immigration to Canada comes from this region.

Therefore, the establishment of a new interparliamentary organization is of new and continuing importance. The member for Saint-Denis and myself urge the Canadian Parliament and the Canadian government to send representation to the foundation meeting that will be held in Canberra in December.

We present this report and urge that it be followed up with the interest and concern of the government and the Speaker.

* * *

JUSTICE AND THE SOLICITOR GENERAL

SECOND REPORT OF STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Justice and the Solicitor General.

• (1530)

This report, unanimously adopted, is the result of consideration of the uncensored and unexpurgated versions of the reports to Corrections Service Canada by, one, Mr. Weir concerning the escape of Daniel Gingras in the province of Alberta and, two, by the Board of Investigations concerning an offender, Allan Legere, unlawfully at large in the province of New Brunswick.

Mostly to clarify and reinforce the rights and privileges of Parliament and its committees, the committee recommends that the Privacy Act, the Access to Information Act and the Canada Evidence Act be amended to require government institutions holding personal information records or information to produce them in their unexpurgated form when properly ordered to do so by either the Senate or the House of Commons.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Stan Wilbee (Delta) moved for leave to introduce Bill C-312, an act to amend the Canada Elections Act (Canadian citizens residing outside Canada).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Wilbee: Mr. Speaker, the purpose of this bill is quite simple. It is to allow Canadian electors who are out of the country for an extended period of time, such as government employees or employees who are working for large companies, to take part in elections. They continue to be Canadian taxpayers and many of them want to take part in elections. At the present time, there is no system for them to vote.

This arose out of a letter from a constituent who was in Europe during the last federal election who wanted to vote but could not. He was ineligible for a proxy vote. The purpose of this bill is to remedy that situation.

The Acting Speaker (Mr. DeBlois): Mr. Wilbee moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

HOUSE OF COMMONS

PARLIAMENTARY CHANNEL PRIORITY

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

> That notwithstanding the report of the Standing Committee on Elections, Privileges, Procedures and Private Members' Business, concurred in by the House on October 20, 1989, the following will be the order of priority for access to the parliamentary channel during the mandate of the Special Joint Committee on the Government of Canada's proposals for a renewed Canada: 1. House of Commons proceedings live. 2. Replay of statements under Standing Order 30(1) and of Question Period. 3. Proceedings of the Special Joint Committee live where it is technically feasible. 4. The replay of the proceedings of the Special Joint Committee. 5. The replay of the House proceedings or portion thereof beginning with Question Period. 6. The weekend replay of the previous week's proceedings of the Special Joint Committee.

[*Translation*]

Mr. Lapierre: Point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford on a point of order.

Mr. Lapierre: Mr. Speaker, I wish to thank the parliamentary secretary for giving us a copy of this motion. Unfortunately, his leader, the Prime Minister, did not proceed with the same courtesy. I think that television, televising a circus like the one ahead of us now—

The Acting Speaker (Mr. DeBlois): Order, please. Does the House give unanimous consent for the motion moved by the hon. parliamentary secretary?

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): There is no unanimous consent.

* * *

[*English*]

PETITIONS

UNEMPLOYMENT INSURANCE

Mr. George S. Rideout (Moncton): Mr. Speaker, it is a pleasure pursuant to Standing Order 36 to bring forward a petition from residents in my constituency concerning Bill C-21. They request that all parents, either biological or adoptive, receive the same pay leave under the necessary legislation.

[*Translation*]

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I have the honour to present a petition from people in Launay, Guyenne, Villemontel, Authier, Lac Berry and Languedoc, in Abitibi, who humbly ask the House of Commons to consider the possibility of preventive withdrawal for pregnant women as a desirable and necessary option for working women.

For these reasons, the petitioners humbly ask Parliament, when it reviews the Canada Labour Code, to consider seriously the shortcomings in it and to recognize the need to include in the Code clauses concerning preventive withdrawal for pregnant women, with pay, Mr. Speaker.

[*English*]

UNEMPLOYMENT INSURANCE

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition on behalf of 190 residents of my riding of Cochrane—Superior, more specifically from the towns of Kapuskasing, Moonbeam, Val Rita, Hearst, Hornepayne, Smooth Rock Falls, Mattice and Fauquier, Ontario.

Your petitioners strongly oppose the clause in Bill C–21 which has reduced adoptive parent leave from 15 weeks to 10 weeks while, at the same time, increasing biological parent leave to 25 weeks. The petitioners call upon Parliament to amend Bill C–21 with respect to adoptive parental leave and that all parents, whether biological or adoptive, receive the same paid leave to enable them to spend time with their new child or children.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 135 will be answered today.

[*Text*]

Question No. 135—**Mr. Redway:**

For the period September 16, 1991 to October 4, 1991, what has been the (a) total cost (b) cost per question (c) cost for this question, to the government for answering *Order Paper* Questions?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): (a) & (b) Questions answered during the period of September 16, 1991 to October 4, 1991:

Question No.	Approximate Cost	Question No.	Approximate Cost
1	$198	2	$92
8	610	9	840
11	360	12	70
13	438	14	182
17	1600	19	620
20	72	22	134
23	126	24	72
25	98	26	144
27	132	28	204
31	54	32	54
34	71	35	666
36	97	37	98
38	125	45	70
46	70	47	77
48	70	53	149
54	74	56	334
58	40	59	348
60	172	61	115
62	85	63	69
64	92	65	169
66	145	67	125
68	89	69	77
70	70	71	73
76	93	77	44
78	72	79	394
81	161	82	75
83	126	84	77
85	70	86	328
88	154	90	152
81	164	93	124
94	380	97	118
98	54	101	70

TOTAL COST: $12 326

(c) $40.

[*English*]

The Acting Speaker (Mr. DeBlois): The question as enumerated by the parliamentary secretary has been answered.

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

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I am in receipt of a notice of motion under Standing Order 52 from the hon. member for Calgary Northeast.

* * *

MOTION TO ADJOURN UNDER S. O. 52

REPUBLIC OF CROATIA

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I request today under Standing Order 52 leave to have an emergency debate on the aggression against the Republic of Croatia by uncontrolled and unconstitutional armed forces of Yugoslavia.

A genuine emergency has arisen due to the fact that the deadline for the moratorium on the declaration of independence by Croatia passed as of midnight, October 7, 1991. No peace has been achieved. As well, the democratically elected government of Croatia is under siege by an aggressor and we cannot reward aggression. That fact we established by the coalition against Iraq.

I am calling for immediate debate because it is of the utmost urgency that Canada take a stand concerning the recognition of the democratic, duly-elected government of Croatia. In order to do that, there must be a debate with the representatives of the people in the House of Commons. I believe members of all parties are cognizant and supportive of that fact.

As Your Honour is aware, there is an all-out war against Croatia, including an attempt by the military to kill both the Chairman of the Presidency of Yugoslavia, Mrs. S. Mesic, and the President of Croatia, Mr. Tudjman.

Efforts by the European Economic Community and the Security Council of the United Nations have failed. Therefore, the debate being of urgency, it should take priority over the day-to-day business of the House.

[*Translation*]

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): The hon. member raises a very important question that no doubt concerns many members of this assembly. But given what the Standing Orders say about emergency debates, unfortunately, I cannot follow up or accede to his request today.

Mr. Kindy: Point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Calgary Northeast on a point of order.

Mr. Kindy: Mr. Speaker, I would like you to explain the criteria for having an emergency debate.

• (1540)

The Acting Speaker (Mr. DeBlois): I would suggest that the hon. member refer to Standing Order 52.

[*English*]

I wish to inform the House that pursuant to Standing Order 33(2)(b) Government Orders will be extended by 12 minutes because of the ministerial statement.

[*Translation*]

Therefore, Private Members' Hour will begin at 7.12 p.m.

GOVERNMENT ORDERS

[*Translation*]

COASTING TRADE ACT

MEASURE TO ENACT

Hon. Jean Corbeil (Minister of Transport) moved that Bill C-33, an Act respecting the use of foreign ships and non-duty paid ships in the coasting trade, be now read the second time and referred to Legislative Committee E.

He said: Mr. Speaker, I am pleased to begin debate on Bill C-33, an Act respecting the use of foreign ships and non-duty paid ships in the coasting trade.

This Act is intended to bring Canadian coasting trade legislation up to date. This governement is committed to working in partnership with our industries for the betterment of all Canadians.

Mr. Speaker, the purpose of this Bill is to reserve what is commonly called the "Coasting Trade" to Canadian ships in waters over which we have jurisdiction. The Bill reserves all commercial marine ativities to Canadian ships within the 12 mile territorial sea and the internal waters of Canada.

In the offshore, that is beyond the Territorial sea, all commercial marine activities related to the exploration and exploitation of non-living natural resources are reserved to Canadian ships.

At the present time, coasting trade activities in Canada are governed by part ten of the Canadian Shipping Act. The current legislation defines "coasting trade" as the carriage by water or by land and water of goods or passengers between two places in Canada, either directly or by way of a foreign port.

Under the present legislation, such carriage is limited to British ships which includes all commonwealth ships. The time has come to clarify this legislation. For one thing, the concept of a British ship has changed since the British Commonwealth merchant shipping agreement was terminated in 1979. The law of the sea was adopted in 1982 by an international convention and the customs and excise offshore application act was passed in 1983. All these events have impacted upon the Canadian Coasting provisions and made it necessary for a new Coasting Trade Act to be adopted.

The current provisions were established in 1934 and were amended in 1966, 1983 and in 1987. Since 1934, a number of things have changed. The most obvious, of course is the offshore oil and gas developments that were not thought of in 1934.

[*English*]

An important part of both the present and proposed legislation is the waiver system that permits the Minister of National Revenue to issue a licence to a foreign ship to engage in the coasting trade of Canada if no suitable Canadian ship is available. I will speak further about the waiver system in a moment.

Before I proceed I should point out that a predecessor to this bill, Bill C–52, was considered during a previous session of Parliament and was passed by the House. However concern was raised in the other place regarding the treatment of cruise ships which delayed the bill until the session prorogued. This concern has now been resolved by defining coasting trade so that a cruise from Vancouver to Alaska and back to Vancouver would not be included in the definition. It is important to note that the definition requires the cruise ship to return to the port of departure and make a call to a foreign port.

This provision does not apply to the Great Lakes, thereby protecting the important tour boat industry that operates day cruises on the Great Lakes. Bill C–33 reserves the Canadian coasting trade to Canadian ships. As with the current legislation, we must appreciate that there is not always a suitable Canadian ship available or capable of carrying out the task needed. Thus, Bill C–33 retains the existing waiver system.

It goes further by establishing a pecking order if there are no suitable Canadian ships available. In such cases, first priority is given to what are known as non–duty paid ships and second priority to foreign ships. A non–duty paid ship is a foreign built, Canadian registered ship on which duties and taxes have not been paid.

[*Translation*]

This legislation provides for a number of exemptions. For one thing, a specific exemption is granted to a foreign ship used as a fishing vessel as defined by the *Coastal Fisheries Protection Act* as well as to a ship engaged in any ocean research activity commissioned by the Department of Fisheries and Oceans. Similarly, exemptions are made for ships operated or sponsored by a foreign government and authorized by the Secretary of State for External Affairs. These exemptions will ensure a minimum of conflict with other legislation.

To be consistent with the law of the sea convention, an exemption is provided to salvage operations in waters that are beyond the territorial sea of Canada and above the continental shelf of Canada. It also exempts salvage by U.S. flagged ships in waters contiguous to the United States as permitted by our Canadian Legislation known as the U.S. Wreckers Act.

In the time since Bill C–52 died on the Order Paper, we have determined that there was a need to ensure that no confusion exists during a marine pollution emergency. Thus there is specific provision in Bill C–33 that a foreign ship may engage, with the approval of the pollution prevention officer, in activities related to a marine pollution emergency.

[*English*]

This bill also recognizes the normal maritime practice whereby in both offshore and Canadian waters ships assisting ships in distress will not be subject to the provisions of this bill. I do not expect there will be any misunderstanding or conflict over this practice.

Another straightforward aspect of this legislation will make the flag requirements for ships compatible with the Canadian Customs regime. These two regimes, while not identical, are very closely aligned. In fact this bill will ease the situation for those wishing to operate ships in Canadian waters and waters above the Continental Shelf of Canada by clarifying the flag requirements which must be observed. The Customs requirements are already well known.

To summarize, the proposed Coasting Trade Act will extend the jurisdiction of the current coasting trade laws to include: (1) all commercial marine activities within 12 miles with the exceptions noted and (2) all commercial marine activities related to resource exploration or exploitation out to 200 miles or the outer edge of the Continental Shelf, whichever is the greater, again with the exceptions noted.

This act protects operators of Canadian flagships wishing to work within Canadian waters and on the Continental Shelf.

[*Translation*]

At the same time it allows international cruise ships to operate without meeting the requirements of the Coasting Trade Act. As a consequence cruise activities in Canada can grow and develop and jobs for Canadian ship crew will be protected. As market conditions improve more jobs opportunities will be created for ship crew and those in related industries.

Mr. Speaker, I have set out before you and the members of this House the goals and objectives of this legislation now before us for debate. While I have no doubt that my Honourable friends opposite will have comments to make, I believe that you will find that the time has come to bring our important coasting trade legislation up to date. I believe that this Bill addresses many of the concerns of our industries, and will be of benefit to all those engaged in this vital aspect of our economy. Thank you, Mr. Speaker

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise as the Official Opposition critic on transport and on behalf of my colleagues in response to the second reading of Bill C–33, an act respecting the use of foreign ships and non–duty paid ships in the coasting trade.

• (1550)

As members from all sides of the House will know, the coasting trade bill was previously debated in a much similar form in Bill C–52 during the 1987–88 period, but due to the call of the federal general election the legislation died on the Order Paper.

During the time allotted to me I would like to share with members of the House some concerns that I have *vis–à–vis* this bill. Bill C–33 deals specifically with the coasting trade in Canada, or as mentioned in the legislation and I quote: "the carriage of goods by ship or combination of ship and other mode of transport from one place in Canada or above the Continental Shelf to any other place in Canada or above the Continental Shelf".

Of course the bill explains similar provisions for the transportation of passengers, both within the confines of our inland waterways and again to the reaches of the Continental Shelf or the 200–mile natural resource zone.

The principal feature of this particular piece of legislation is that it extends the provisions of the Canada Shipping Act relating to the transport of goods and passengers from the existing 12–mile territorial sea limit to the 200–mile Continental Shelf or natural resource zone. Furthermore, the bill amends the Canada Shipping Act and places the coasting trade provisions within the confines of its own legislation and not under the guise of the Canada Shipping Act. It talks more about the territorial aspects of the marine industry as opposed to some of the other technicalities.

Under the bill foreign ships cannot operate within Canadian waters unless a select group of criteria is met. This legislation allows foreign ships to apply for a waiver to operate in our coasting trade. If after applying the National Transportation Agency determines that a Canadian ship is not available to perform a required service, then Revenue Canada would grant a coasting trade licence to that particular foreign vessel.

As well, foreign ships or non–duty paid ships cannot engage in our coasting trade unless they belong to a select group such as fishing vessels, research vessels, scientific marine research, certain salvage operations and pollution prevention operations. Other cases when a foreign ship may operate in Canadian waters are in times of an emergency when a Canadian ship cannot come to the assistance of another in distress.

Another amendment proposed is that foreign ships which are granted a licence to operate in Canadian waters will, under the bill, have their licences withdrawn with penalties of up to $50,000 if they contravene any act of Parliament which may apply. Provisions in the bill also allow for the detention of the vessel and its potential sale by the federal government following a non–appearance at their trial for violating our laws.

Although 99 per cent of our coasting trade is performed by Canadian ships and this bill intends to further protect our industry, I do have a number of concerns in a number of areas which I would like to touch upon quite briefly in the time allotted to me.

First, I would like to raise the safety provisions that foreign ships operating in our coasting trade are subject to. I believe that they should be liable to meet every stringent safety standard that our Canadian vessels must comply with. Our safety standards are tougher than those of many countries, especially the United States, and therefore they cost our vessels that much more.

As well, Canadian passengers on cruise ships would like to be assured that regardless of who transports them they will be guaranteed the same safety standards from any company incorporated on any side of our border.

Clause 4 requires that following:

> (e) all foreign ship meets all safety and pollution prevention requirements imposed by any law of Canada applicable to that foreign ship.

But what about any inequities between the laws applicable to Canadian ships and those applied to foreign ships? Will we suffer in terms of safety and of pollution prevention measures because foreign ships do not have to meet the laws imposed on Canadian ships?

We all know that Canadian ships must meet Canadian standards. Of course Canadian owned ships operating in Canadian waters must meet stringent Canadian standards, but what about those foreign ships who apply for waiver? Will they have to meet the same provisions as our Canadian vessels?

Will provisions relating to crew members aboard a foreign passenger vessel be universally applied? Will there be an equal number of masters, deckhands and an engineer on board in Canadian waters regardless of whether the ship is Canadian or whether it is foreign?

I am positive that Canadians do not want us to reduce our standards, nor to increase our danger upon boarding a foreign vessel. These provisions are of concern to many Canadian shippers, whether they operate on rivers in the Thousand Islands region, the Great Lakes or on the east or west coast.

In terms of residency, clause 2 on page 3 of the bill relates to the definition of a "resident". It defines "resident" as someone who has been in Canada for six months and a day, as mentioned in the Income Tax Act.

Some observers have expressed concern over any fly–by–night shipping operation. That is to say, will they cut corners at the expense of Canadians just to make a dollar? Therefore the question is: What is the level of that commitment? In terms of ownership, what about the ownership provisions in this bill? As we know in the airline industry, a Canadian airline must be 75 per cent owned by Canadians.

We would support a similar amendment to the Canadian Shipping Act that would introduce a provision that would perhaps be along similar lines where it is not now mentioned.

What about the provisions of the coasting trade bill to allow American ships to transport goods to Canadian Distant Early Warning Line sites? What about Canadian shipping opportunities in that area? Again, there have been concerns raised by a number of observers whether we should, above all, be transporting goods to our own DEW Line sites.

Finally, clause 8 on page 7 states:

> (2) The Governor in Council may make regulations prescribing the criteria to be applied by the Agency in making the determinations referred to in subsection (1).

Does this mean that a *carte blanche* is given to the government in determining licence for foreign ships, or should this in fact be protected and based in legislation?

We opt for the latter because it is a greater insurance that in fact the government of the day will certainly not be able to make an Order in Council that may be against the national interests of the time.

I believe that the minister and the government must come clean and explain some of these provisions during the second reading phase and clearly in committee stage. Though the government may claim that this bill is its version of the American Jones Act, it does not even come close to the restrictive and prohibitory measures that the American shipping interests enjoy south of the border.

Canadian shippers in the marine industry are looking for leadership from this government to help our industry and, sadly, the government's actions in recent times have meant just the opposite.

We do not have to look too far to see that some of the negative policies of this government have adversely affected the domestic Canadian marine industry. One of those irritants is the cost recovery and user fee program. This government's zeal for cost recovery aims to impose user fees on Canadian marine industry companies. We on this side oppose this policy, as does much of the industry.

Do not take my word for it. Let us see what the industry is saying about the government's own policy. First, from Mr. Nicol, president of the Shipping Federation of Canada, who says: "The federal government's cost recovery policy may do irreparable damage to the Canadian maritime industry and its associated infrastructure. The proposal will increase the cost of doing business for some companies by amounts in excess of $1 million per year". He also says to the minister that "there is no way of applying a cost recovery program".

Do not take just the Canadian Shipping Association's word against this particular economic policy. What does Mr. Cresswell, president and CEO of Algoma Central Marine, the second largest shipping company in Canada involved in transporting commodities on the St. Lawrence and the Great Lakes, say about user fees?

He said in a letter to the former Minister of Transport: "The application of cost recovery is discriminatory and will impede the long-term survival of a shrinking number of operations. The cost recovery policy comes at a time when the marine transportation sector is not in a strong financial position due in part to existing government policy. Moreover the proposed policy falls hard on the heels of transport deregulation. We strongly urge Transport Canada to withdraw this proposed cost recovery policy".

Other individuals have spoken out against the government's policy including Mr. Peter Smith of the Chamber of Maritime Commerce and Mr. Norman Hall of the Canadian Ship Owners Association.

• (1600)

What about shipbuilding? We all remember the Progressive Conservative agenda for government concerning the shipbuilding industry. It was written in 1984 and said: "A top priority of a Progressive Conservative government will be to create a more viable and prosperous shipbuilding industry". What has happened to that industry since then?

When this bill was debated as Bill C-52 in 1987 and 1988 Conservative members boasted about the shipbuilding policy. At the time they mentioned that the construction of the Polar 8 ice-breaker would help the sagging industry on the west coast.

As all members no doubt know, not only did this government absolve itself from any commitment to Arctic sovereignty but it backed out of the Polar 8 ice-breaker deal and Versatile Pacific Shipyards breaking the government's credibility in the Canadian shipbuilding industry and sending hundreds of workers scrambling for work.

When the government abandoned Versatile Pacific Shipyards in North Vancouver its mayor wrote the Prime Minister earlier this year and criticized the government's decision to rationalize the shipbuilding industry on the west coast. As yet, no positive response has come from this government.

The Alliance of Shipbuilders Unions in its publication entitled *An Industry in Crisis* states that today there is practically no commercial vessel construction in Canadian shipyards whatsoever. What does Mr. Les Holloway of the Marine Workers Federation say about the government's shipbuilding record and shipbuilding policy? He says: "We are now facing possible extinction in the not too distant future if immediate action is not taken by the federal government to secure the industry". These are but a few of the many testimonials against the government's marine and shipbuilding policies.

If Canadians examine closely this government's inaction concerning the marine and shipbuilding industry, they will discover according to the 1991-92 Department of Transport estimates who the winners in terms of increased funding were. The minister's motor car allowance was increased as was the departmental administration's. The losers were, among others, the marine and Coast Guard sector. Their funding decreased by almost $58 million. In fact, total departmental expenditures decreased some $24 million from the year before. Cost recovery, user fees and no shipbuilding incentives are but a few of the concerns currently facing the marine industry.

It is not only the demise of the shipping and marine industry that has been of some concern for some years in this country, but a general concern that the transportation network, the transportation infrastructure, the transportation industry as a whole, is crying out for some assistance.

We have witnessed in this House and across the country the demise of the trucking industry following deregulation by this government in 1988. For two years now Canadian truckers have been waiting for some government action.

There have been a number of ministers in the interim who have promised relief, who have promised aid packages to help the industry. However, unfortunately we have no such aid program to date.

We know what has happened to the rail side of the equation. We know of the gutting of VIA. We know that there is no high speed rail plan on the horizon. We know what is happening in the airline industry. It is an industry that is certainly on shaky ground, to say the least. It was supposed to be fuelled by deregulation. We were supposed to have more competition. Instead what we are left with is basically a duopoly.

To aggravate the situation even further we have a government that heads into bilateral open skies negotiations with the Americans without even having the courage and foresight to say that it is prepared not to negotiate cabotage rights.

As recently as a few evenings ago the parliamentary assistant to the minister basically commented on the question of cabotage. He, like his political bosses, left the whole question of cabotage rights to American carriers very open at a time when the industry requires the determination of a government to stand tall in the face of American demands.

We are discussing the shipbuilding industry in Bill C-33—and I know that the ministers are counting the clock but I believe that opposition responses have up to 40 minutes—but the question concerns not only the shipbuilding industry. It is not only the maritime industry. It concerns the transportation network *per se* across this country which has helped build this country, which continues to try to keep this country intact by keeping Canadians travelling and getting to know each other, transporting goods and commodities, and which is under attack.

There there a number of positive movements in this bill in terms of extending the limits of coasting industry in this country. However, there are also a number of concerns which I hope my hon. friends on the other side—and I appreciate the minister's attendance in the House today—will take to heart and endeavour to address in this bill in second reading and at committee stage where the work is really done. Perhaps we will be open-minded, try to make this bill a better bill and allay some of the fears and concerns raised in light of Bill C-33 and, more important, examine the transport industry as a whole and begin to do some of the things that have been asked and which to date have not been done.

Mr. Corbeil: Mr. Speaker, with your permission and after consultation, I would like to move:

> That after second reading Bill C-33, an act respecting the use of foreign ships and non-duty paid ships in the coasting trade, be referred to the Standing Committee on Transport.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It is unusual indeed for such a motion to be put at this time. Maybe I was too quick to recognize the opposition member.

[*English*]

Is there unanimous consent for the motion tabled by the minister?

Some hon. members: Agreed.

Mr. Brewin: Not to the motion, Mr. Speaker, not to the motion.

The Acting Speaker (Mr. DeBlois): The motion is to transfer clause-by-clause study to the Standing Committee on Transport.

Mr. Brewin: Mr. Speaker, I would consent to the minister moving the motion at this time. However, at this stage I take it we are not consenting to the adoption of the motion which is how I heard you move it. I would like to make that clear so that we have the opportunity to continue to debate second reading.

I certainly consent to the minister having the opportunity to move the motion now.

Mr. Marchi: Mr. Speaker, I understand that the motion is to send the bill the Standing Committee on Transport rather than to a legislative committee. Members from all sides on that committee have had a good discussion and there seems to be unanimity on the committee so we have no problem with that.

The Acting Speaker (Mr. DeBlois): The House has heard the motion. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): It is the motion to refer.

Mr. Brewin: What I wish to do is to put on the record the views of the New Democratic Party on second reading.

I heard you asking the House whether it agrees to the motion.

Some hon. members: No, no.

Mr. Brewin: Just relax over there. If I have your permission, Mr. Speaker, may I proceed on second reading?

The Acting Speaker (Mr. DeBlois): I think there is a problem of comprehension or translation. The motion is not to agree to the main motion but to modify the main motion to transfer clause-by-clause study to the Standing Committee on Transport.

• (1610)

The Acting Speaker (Mr. DeBlois): Members have heard the terms of the motion. Is there unanimous consent for the motion?

Some hon. members: Agreed.

Motion agreed to.

Mr. John Brewin (Victoria): Mr. Speaker, I apologize if I failed to understand the way in which the motion was put. I think we now have it all sorted out. We are now proceeding with second reading, and it is agreed that after second reading this motion will ultimately go to the standing committee rather than to a legislative committee. That is what we have just agreed to.

This last little contretemps was a procedural matter. I would like to state on behalf of the New Democratic Party our basic support for Bill C-33.

However we do have some concerns about the bill which we will generally be addressing at the committee stage. I would like to set out our reasons for supporting this bill and also indicate why in our view this bill is a relatively minuscule step to deal with the problem which it seeks to address, and that is the condition of the shipbuilding industry in Canada. This is a most modest step for the government to be taking. The shipbuilding industry deserves far more. It is a very important industry to Canada which this government and preceding Liberal governments have failed.

In clause 3 the bill states that:

> —no foreign ship or non-duty paid ship shall, except under and in accordance with a licence, engage in the coasting trade.

That is to say trade on the coasts of Canada. The coasting trade is a technical term which is defined in the act. On the face of it this is fine. However it provides for a set of exceptions and it is those exceptions which we will want to review very carefully.

In his remarks on the bill the minister referred to one exception and that concerns cruise ships. The example he gave of a trip from Vancouver to Alaska and back to Vancouver is a helpful example and one with which we would agree. However there are many other similar cruise ship visits which we want to be assured will be dealt with properly in this bill.

For example, as the member for Victoria I am familiar with cruise ships from the American coast which stop in Victoria and/or Vancouver on their way to Alaska. Are those cruises exempt? If not, what is the significance of this bill for the cruise industry, which is a very vital industry for the Victoria region and B.C. in general? We will want to examine that question.

The concept of requiring licences, in other words taxes and duties to be paid by foreign ships using Canadian waters, is in itself valuable. As I suggested it does not go far enough. It is a minuscule step in the effort to do something for the shipbuilding industry in Canada.

Shipbuilding has a long and honourable tradition in this country. Almost from the beginning of settlement in Canada shipbuilding has been an important part of the work that Canadians have done.

During World War II we built one of the strongest, most effective shipbuilding industries in the whole world. Canada's effort in World War II was a remarkable achievement for this country. At that time we built up an enormous capacity to build effective, good, high quality ships with a high level of technical skill on both coasts of Canada and central Canada as well.

The tragedy has been that since World War II successive Canadian governments operating under the principles of so-called private enterprise have allowed the Canadian shipbuilding industry to slowly sink into decline. Today it is barely kept alive by government procurement, in particular defence spending. Every so often communities are given a final respite in the form of some kind of government project which keeps them alive for just a little bit longer.

Canada is one of the few countries with a shipbuilding industry that fails to provide concessionary financing for its own shipbuilding industry. This alone has put Canadian shipbuilding at a significant international disadvantage.

It is said that over the next number of years there will be 60,000 ships built in the world. What we as a country need to decide is whether we are going to compete effectively for that shipbuilding. We also have to decide whether we as a country are even going to compete effectively for our own domestic shipbuilding.

Government studies have indicated that over $1 billion a year is spent on shipbuilding domestically in Canada. Yet much of that is beginning to go outside our borders.

Canada is a maritime nation. Many of its exports are carried by ships. The United States requires, under the Jones Act, that shipping from the United States be done in American-built ships. Canada does no such thing.

The number of U.S.-built ships purchased by Canadian operators alone since the free trade agreement came into force has increased from 10 to 28. The free trade agreement has been perhaps the final nail in the coffin of the shipbuilding industry of this country. However, we still retain because of government procurement policies at least the shell of an industry. It is essential that we on all sides of this House, and the transport committee perhaps can take some leadership because certainly the government has not taken any leadership, begin to develop a comprehensive shipbuilding industry for this country.

We must make the first and fundamental decision. That is that we in Canada can again lead the world in shipbuilding. We have a highly skilled population. We have a solid domestic industry. We are familiar with how it works and we have the capacity to build an effective shipbuilding industry that can compete internationally.

If we are going to do that we are going to require a comprehensive set of policies of which the bill before us is only one small part.

Let me outline some of the comprehensive policies adopted by the New Democratic Party at its convention in Halifax in June. First, we must require that new fishing vessels be issued licences to fish in Canadian waters only if they are constructed and maintained in Canadian shipyards and all present fishing vessels must be maintained in Canadian shipyards as a requirement of a Canadian fishing licence.

We must understand that we start at home in providing markets for our Canadian industry. We must be willing to recognize that we want to build an industry on both coasts, the east coast and the west coast, and provide long-term continuity of employment on both coasts and in central Canada.

On the west coast we have seen the government break a fundamental commitment it made to the Canadian people and in particular the west coast of Canada when it cancelled the *Polar 8*, the new icebreaker that was to be built on the west coast of Canada. That firm commitment made to Canadians and British Columbians was broken by the government after the last election when it went to the voters of British Columbia and Canada specifically on the understanding that if it was re-elected the *Polar 8* would be built. As a result of that fiasco and the broken word of this government and failure of this government to provide any alternative to the *Polar 8*, to the frigate program or to the most recently announced mine sweeper program, we find that there has been no serious effort by this government to take leadership in retaining and building a west coast shipping industry.

• (1620)

The fishing industry itself becomes a place to start and that is where we would start.

Instead of decreasing tariffs, which this government has done under the free trade agreement, it is important that tariffs be increased from 25 to 40 per cent. We make that commitment to the Canadian people. The tariff would apply to all vessels, newly constructed, purchased or refitted outside this country and that would be strictly enforced.

On the other hand, we call for the elimination of all tariffs on vessels entering the country. When they are imported into this country, the parts and so forth needed for vessels, the exceptions that are now provided, would be eliminated. There are so many loopholes in our tariff policy that our Canadian industry is facing dire competition from around the world. Other industries are given concessionary financing by their governments.

Let us look at that. Japan, with the largest shipbuilding industry, offers its ship owners financing for up to 60 per cent of the cost of a new ship, repayable over 13 years and carrying an interest rate in 1988 of 5 per cent.

In Korea, ship owners receive loans of up to 90 per cent. Taiwanese ship owners receive loans of up to 80 per cent. Many areas, West Germany, for example, provide direct subsidies of 20 to 25 per cent on the contract price of vessels. The European Community provides subsidies of 25 per cent on the contract value of new ships.

The concessionary financing and subsidies that are given by these other governments are done as investments in the industry which provides enormous returns to those countries. We know that in our own country when we look at such communities as Victoria, we see the tremendous value to the community of shipbuilding as an industry. Shipbuilding provides good, solid jobs, jobs which involve technical skills and are an important arm of any industrial strategy for any community.

Countries such as Denmark provide special tax and custom duty exemptions. The Netherlands provides exemptions. It is time that the Canadian government, instead of getting out of the business of providing essential and critical support for shipbuilding, began moving in that direction so that our shipbuilding can be come internationally competitive.

This would include tax benefits that have to be looked at. It includes financial assistance in a range of ways.

In this bill we have already begun to address the idea of goods moving between domestic ports. We would add that the provision should be made that these vessels not only must be built and repaired in Canada, but must be crewed by Canadians.

This bill is an important and useful step, but it is only a small step. We urge its support but we say that we will be making the point at the committee that it must go much further than it has already gone.

Let me just finish by making a special plea to the government in the area of shipbuilding. In the last week or so we saw the award of the 12 mine sweepers as they were originally called, or patrol vessels, to Nova Scotia. We from the west coast do not begrudge Nova Scotia the work.

I had the opportunity of visiting the Halifax shipyards earlier this year, as well as the Saint John shipyard where the frigates are being built. We saw the importance to those communities of this kind of work.

We know from our own experience at home the importance of this kind of work. But what we say is that the government has a larger issue than simply shipbuilding and handing out jobs in one area or another. This country faces a constitutional crisis. It is important in the management of the affairs of this government that the government act fairly to all areas of Canada. Shipbuilding is critically important to the regions of Canada. It is one of those very particular industries that has grown up, not in the industrial heartland, but in the regions of Canada.

This government and this Parliament will be going to the people in all regions of Canada asking for their support for constitutional proposals designed to try to hold this country together. This government persists in handing out one contract to one place and another contract to another, yet in British Columbia it is leaving the shipbuilding industry on its knees. This will add to the difficulties we in all parties will have, of urging those from British Columbia to give support to this confederation.

It is important that all parts of Canada be treated fairly. We ask the government to review completely the approach it is taking on shipbuilding. It must recognize the importance of shipbuilding to all coasts and all parts of Canada and begin working with the industry, the unions and the communities in British Columbia, as with other communities across Canada, to build a shipbuilding industry that serves the public and private sectors, that can compete effectively internationally, as I know we can do. It should reflect a completely different vision of Canada than that we have seen in the last few years, a vision of selling out our heritage as a country and the technical skills we have built.

The time has come to work with Canadians to build a strategy that works for all Canadians so that we can again grasp the pride that this particular industry engenders in those who work in it, and the communities in which it is situated.

We ask the government to listen to the pleas that are coming from the west coast, and to help us all build a strong shipbuilding industry.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was wondering if the member for Victoria, speaking on behalf of his party, believes that industries generally should be subsidized. Should we subsidize heavily as he says the shipbuilding industry, the automobile industry, or would he think of more farming subsidies? Would he think of other industries that might be subsidized in various parts of the country?

Is it the policy of the New Democratic Party to just build up national debt and borrow more money to subsidize more and more? Does he not think that perhaps we might be better off if we did not subsidize at all? Should we not just keep our costs of government down so it does not come out of the backs of our taxpayers, our children and our children's children, so we would not have to pay the present debts and interest payments we have to pay on a national debt, caused by massive subsidization?

Is it the continuing policy of his party that we should continue to subsidize and subsidize and subsidize businesses that cannot cut the mustard.

Mr. Brewin: Mr. Speaker, we have been listening for the last number of days, particularly during Question Period, to the agricultural industry in this country making an overpowering case for support at a time when their competitors are being heavily subsidized overseas.

The ideological rigidity of the position suggested by the hon. member that subsidies in themselves are automatically bad and should not be given, leaves industry and the economy of this country completely, vulnerable to international competition from countries which do subsidize their industry either through direct government subsidies, as in the cases, I mentioned, or through completely inadequate wage and working conditions in other countries.

Surely the lesson of the free trade agreement and the disaster it has been for this country suggests the complete negligence of the government in its approach, the ideological rigidity that is leading to the disaster we are in. In the shipbuilding industry in particular a strong case can be made for effective subsidies. A subsidy should be considered on a cost benefit basis, that is to say, in certain industries where we are competing internationally by providing some form of concessionary financing, ultimately the decision is going to be that the returns to our community and to our country will far exceed the subsidy given. That is the business decision which we as a country make.

• (1630)

For us to just continue blindly in every single industry to have the same market conditions apply, to impose for example on the shipbuilding industry exactly the same marketing conditions as on the auto industry or other manufacturing industries is ridiculous.

The government surely must know it by now because it has to look at the results of its policy. The results of its policy is that industry all across Canada is dying and particularly the shipbuilding industry is in grave trouble.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I listened with interest to the minister as he introduced the bill and to the comments just made by the NDP and also the comments made by our critic. I have looked at the bill and I have found to my amazement, to my shock—I just cannot believe it—that we have a bill before this Chamber that is about shipping and ships. There is one big exception. One has to wonder why the exception; I mean, who approved this exception?

When you are drafting a bill for legislation, Mr. Speaker, normally in a department like the Department of Transport, a copy of that bill prior to its printing is sent around to each federal government department and agency. Sometimes it is sent to provincial governments for their input.

I rather suspect that the Department of Fisheries and Oceans is responsible for this outrageous, unacceptable, unthinkable exception that is present in this legislation. It is under clause 3. It is under "prohibition". It says that this bill applies to all vessels except in clause 2 does not apply in respect of any foreign ship used as a fishing vessel.

What is the purpose of this? What is the purpose of the Canadian government bringing in a bill which says: "Oh, this does not apply to a ship if it is a foreign ship and it is used as a fishing vessel". You start to think and wonder why an exception is made.

True, we have foreign fishing vessels all around the east coast of Canada. We have Bulgarian ships, Cuban ships, Denmark ships; that is, the Faeroe Islands and Greenland. We have EEC vessels, vessels from Iceland and Japan. We have foreign fishing vessels from Norway, Poland and the U.S.S.R. Then there is a section called "others". That is nine foreign nations, plus others.

What I am reading from is a sheet of paper that is called "the quota table for 1992 for foreign fishing vessels". These things are approved for 1992 by the Canadian government in consort with the nine other nations to allow these nations to carry on fishing activities around Canada's coastline. The bill says: "any foreign ship used as a fishing vessel is excluded from the act". Mr. Speaker, it is an interesting insert by the federal government.

It is very interesting because we are at a moment in time when we have an absolute crisis in the fishing industry. Even the fishermen raided the offices of the Fishermen's Union this morning in Newfoundland, and sort of beat up the place. I understand they smashed the windows and a few other things. These are frustrated fishermen, frustrated not so much at the Fishermen's Union but with the federal government, that the federal government would be in such a cosy position with these foreign fishing vessels that are described in this bill before us today.

Why, do you know that this year, for the first time in Canadian history, those very foreign fishing ships outlined in this bill, and excluded from this bill, are allowed to fish in our waters for Canadian quotas, hired by Canadian companies? That is why it is in this bill today. Now we have discovered it. Oh, yes. That is why it is there, because Canadian companies have been offered by this government foreign ships to catch their own quotas.

Some hon. members: Shame!

Mr. Baker: It is shocking. Here we have the best fish that comes out of the water, the fish that a man fishes over the side with a hook and line—that is the best fish that comes out of the water—not something caught by some gigantic 450-foot Soviet factory freezer trawler.

The Government of Canada for the first time in our history, for the first time since we joined Confederation in 1949, is allowing foreign ships to be used by Canadian companies. Mr. Speaker, would you blame the Canadian company that hires a foreign ship like this? Would you blame him? Would you blame a company that would hire a ship from the U.S.S.R. or Cuba to come up and catch their quotas in Canadian waters? Would you blame them?

Why, Mr. Speaker, those ships don't have a bottom line. Talk about free enterprise. They can go out for two months and fish, there is no bottom line. The government of Cuba owns those vessels. The government of the U.S.S.R. owns those vessels.

The Canadian government turns around at a time of desperation in our fishery and says to the fish companies: "All right, fish companies, you can use these foreign vessels described in this bill today; you can use them to catch quotas of turbot up in zone 2-J off the Labrador and northern Newfoundland coast; you can use Soviet vessels to go up on the Labrador coast; you can use Japanese vessels to go down off Nova Scotia and catch squid; you can use vessels that are from Poland and you can fish for redfish up on the northeast coast of Newfoundland; you can do all that. We see it today in the bill. Oh, what protection! What protection the Government of Canada gives to a foreign ship if it is used as a fishing vessel, it is excluded from the provisions of this bill. The NDP stands up here today and says; "Oh, we are in favour of more shipbuilding". Very carefully the critic said; "We want to maintain foreign fishing vessels in Canadian shipyards".

Interesting, Mr. Speaker. Maintain them? Maintain factory freezer trawlers? Why, Mr. Speaker, they should not be allowed in our waters.

No foreign nation today, nobody on this list provided by the Government of Canada and excluded from this bill, not one of them can teach a Canadian anything about catching fish. I tell you what they can teach them; they can teach them how to destroy the fishery. They can teach them how they destroyed it up in the northeast Atlantic and down around Africa. That is why countries like Namibia turned around this year and chased them out.

If we had a bill like this, which we do, in other nations in the world—Britain, France, Portugal—could we see something like this in the bill? No, because Canadian vessels are not allowed to go off the coast of any country in the world and fish or carry on an activity like that, not one country in the world.

• (1640)

Yet Canada this year and in 1992 has approved these outrageous quotas for nine foreign nations. It is an outrage. I brought up one of them today in Question Period and I was looking at another one a moment ago: 12,965 tonnes of cod in a zone called 3M commonly known as the Flemish Cap.

It is a piece of water in the Atlantic that comes up to about 15 fathoms out off the coast. It is a marvellous fishing ground because the sun gets in and goes to that cap. The fish congregate around it for spawning purposes. The scientists turned around last year and said: "We do not agree with any nation in the world fishing there."

Do you know, Mr. Speaker, what Canada did, together with these nine other nations in the world in Halifax, Nova Scotia three or four weeks ago? They sat down in the privacy of their meetings and opened a new quota for the first time in eight years, against the advice of the scientists to catch codfish.

Who got the quota? I will tell you who got it. EEC, 6,465 tonnes; Denmark, that is the Faeroe Islands and Greenland, 2,900 tonnes; Norway, 1,200 tonnes; U.S.S.R., 1,200 tonnes; Poland, 500 tonnes; Cuba, 480 tonnes; Canada, 100 tonnes.

We have a bill before us today that is called an act respecting the use of foreign ships. What does it do? It turns around and makes one exception for foreign ships in our waters, and that one exception is foreign fishing vessels. It is an absolute disgrace.

Why this year, we had 100 factory freezer trawlers off our coastline. Do not forget that we have only one factory freezer trawler in Canada. National Sea has one. We do not have them because we felt over the years and governments past always felt that if you brought in factory freezer trawlers, you would have your fish plants on the ocean. You would have to freeze the fish, then unfreeze the fish if it was not good quality and yes, you would probably make more money.

It probably was not a good technology because it would destroy the spawning grounds. This year, 100 factory freezer trawlers fish the coast of Canada with a licence from the Canadian government. We see them here today. These are Canadian quotas for Canadian companies that now will be able to be exempt from this act before Parliament, because that is in the bill.

It is a disgrace. That is all I have to say about it. I do not know what else I can say. It is an absolute, total disgrace to the people of Canada. This morning we had fishermen ripping up their own union offices in total and utter frustration because last night at 8 p.m. a boat was brought in by the warship *Margaree*, the Canadian warship.

It was a little Canadian boat. There are six people in the crew. Last night, they were sitting between two Spanish purse seine trawlers who would be exempt under this act inside 200 miles. They were sitting there, the captain told me on the phone. All of a sudden, out comes a fisheries patrol vessel and behind that the *Margaree* with 240 crew members aboard from the Canadian Navy, swooping down.

What do they do? They come and get that little Canadian boat, and they see 200 pounds of codfish aboard that was being used for bait for tuna, and the armed forces seize the boat. They take it away from the two Spanish vessels and they bring it right into port in Newfoundland. The captain then has to turn around this morning and buy back his own fish. It cost him 52 cents a pound for a total of $104 for the fish that he had aboard that he was being arrested for, but those two Spanish vessels were not touched.

An even greater disgrace than that is that in that zone, this year coming up, 1992, the Soviet Union will have 1,624 tonnes of cod given to it inside Canadian waters, inside of our 200-mile zone. The former Minister of Fisheries and Oceans knows exactly what I am talking about. He knows what I am talking about because I will tell you what he did, he exchanged it for capelin. Right, Mr. Minister. The minister got them out of there by saying: "Oh, go catch capelin and go catch redfish and go catch silver hake".

The minister is nodding his head because that is what he did.

Again, Mr. Speaker, here we have a crisis in Canada, and the Soviet Union is shown for 1992 with 1,624 tonnes and a Canadian boat gets picked up last night for catching 200 pounds. Here we are today debating a bill that is going to exclude all of those foreign vessels if they are used as fishing vessels.

I understand how difficult it is to be a minister in a government and to be advised that External Affairs has done this and that and this is the custom to do and the department says: "This is the way it has always been done and you cannot really disturb that." All it takes is for somebody to sit back and say: "Right is right is right and wrong is no man's right. We are going to stop these foreign boats from getting these Canadian licences and from being exempt in this bill. We are going to stop them because we are not allowed to go and do the same thing off their coast". Let us do what Namibia did. Imagine little Namibia last November. Let us do what it did, kick them out and have no more of this nonsense of saying as a policy: "Well, we are going to exclude them from the act and what our party position is". That is what the PCs say and the NDP; we will maintain them in our own shipyards.

That is not good enough. Canadians want them booted out. Canadians do not want them in Canadian waters any more.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am listening and enjoying what are always entertaining comments of the member. They are always entertaining if not redundant. It reminded me of the great western Canadian, former Prime Minister John Diefenbaker. There was a story that went around about Mr. Diefenbaker that whenever he got a question in the House, if there was any doubt about it, it went something like his response would be: "Are you asking me about wheat? I love Parliament". He liked to talk about Parliament and would answer the question about Parliament. So if he did not know the answer he would talk about something like Parliament. I am always reminded of that when the hon. member for Gander—Grand Falls gets up.

I appreciate that this bill, Bill C-33, an act respecting the use of foreign ships and non-duty paid ships in the coasting trade, was just introduced this afternoon so one cannot expect the member would have had an opportunity to have read through it. I am sure he would not have made the comments he had had he made an effort to read right through it.

With respect to the comment made several times by the hon. member, subclause 3.2. states:

> Subsection (1) does not apply in respect to any foreign ship or non-duty paid ship that is
>
> (a) used as a fishing vessel, as defined by the Coastal Fisheries Protection Act, in any activity governed by that Act—

• (1650)

The simple answer is if the member had only read the next paragraph from the one that he got so exercised about he would have seen that all of his reservations are completely covered by the bill. It is simply a matter of his concerns being covered in another act. We cannot have two acts saying exactly the same thing. We simply make this exception in subclause 3(2)(a), used as a fishing vessel as defined by the Coastal Fisheries Protection Act, so that we do not have double legislation. It is already covered in the Coastal Fisheries Protection Act. I want the hon. member to be aware of that so he would be perhaps less exercised and more straightforward with the viewing audience as it were.

Mr. Baker: Mr. Speaker, I can understand that the hon. member is relatively new in the House and perhaps he has not read the legislation as carefully as he should.

For years, as you know, I had a job as a law clerk in a legislature and if there is one thing I learned in that position it was to thoroughly read the section.

Does the hon. member know what the Coastal Fisheries Protection Act is? That is the question. The Coastal Fisheries Protection Act is the act the governs the fisheries. It governs what happens around the coastline of Canada. It covers licensing. It covers what boats do. It covers what boats cannot do and what they can do, It is under that act that the Minister of Fisheries and Oceans gives permission to the Halifax regional office and the St. John's regional office to issue the very licences for fishing that all of these foreign nations get. It is under that act. And the member stands up there and says: "Oh, but his concerns are covered under that act". That is why I am talking about it. It is under that act that they get the licences. Now it is under this act they are exempt.

It is rather interesting. That covers the hundred FFTs, the factory freezer trawlers, off our coast. There are another 20 or 30 of them out there. The second clause covers them. It says that also exempt are ocean research activity foreign vessels commissioned by the Department of Fisheries and Oceans.

There were 17 such licences issued this year by Halifax DFO and they were out there fishing various things: mackerel, herring, a little bit of cod up north. There was not one observer aboard these vessels, not one representative of the Government of Canada aboard one of those vessels in section D because they are exempt from the observer program of the Canadian government, and we wonder where our fishery has gone.

Section B of this act here exempts even those vessels that are in Canadian waters. Come on, foreign vessels, you can have a free–for–all here. It is only Canadians who are prevented from going out and fishing.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, it is interesting that this legislation today deals with many concerns that we have with coastal transportation. I would like to put a couple of comments to the hon. member since he shares a piece of geography that is very similar to the one I represent. I would like to deal with some of the communities in that area and one in particular.

Our concern for this government's absolute neglect of coastal transportation starts basically with the cancellation of the northern tax benefits which has absolutely shafted people who live in your communities and in my community. To put it down in this transportation problem is that food in the community of Ocean Falls costs 300 per cent to 600 per cent more than food you can buy in Vancouver or in Ottawa. A two litre container of milk costs $6 if you are lucky and can get it fresh. Everything else, fruit, vegetables and things along that line are almost unobtainable fresh. Automobiles: to remove an automobile or take an automobile in is $600 each way. Health care: if you are lucky you get a doctor once a month if the weather permits. Dentists: one of the residents I was talking to the other day had an emergency, a toothache, that absolutely incapacitated him, a $500 charter in and out, $52 for a tooth extraction. It is absolutely paralysed because of the coastal transportation policy of this government.

Air traffic to Vancouver is more than $500. You can fly to England or Hawaii cheaper than you can actually move from Ocean Falls to Vancouver, Bella Bella to Vancouver, from Kitsault or the Klemtu area to Vancouver.

The coastal transportation policy of this government is nothing short of disgusting. For someone who managed to pick up a job in that desolate area it took $10,000 to move their household furniture, themselves and their kids into that area because of the coastal transportation policy of this government.

In each one of those communities I mentioned, Bella Bella, the Klemtu or Ocean Falls, the Department of Transport has said it is no longer interested in building wharfs to move goods in and out and passengers in and out. They say that in the 80 year life cycle which is up in 15 years, no more wharfs. Their highways are gone. Their transportation is gone.

This bill today on coastal transportation has probably got—

The Acting Speaker (Mr. DeBlois): The hon. member for Gander—Grand Falls.

Mr. Baker: Very briefly, Mr. Speaker, I totally concur with what the hon. member said, especially as it relates to British Columbia and the east coast of Canada. I want to alert him to the fact that the critic for transport for the Liberal Party, the official party spokesman for transport for the Liberal Party, stood up in this House a few moments ago and made reference to something that every member of Parliament should get a copy of. It is the new charges to be imposed, as he said, by Transport Canada on every ship that uses the Canadian coastline because now they are going to have to pay a fee for using the navigational aids, which includes buoys.

Mr. Speaker, did you ever think you would see the day when you had to pay to use buoys in the water? This government is introducing a policy and I am sure that we can make sure that the NDP gets a copy of this so that they too can see what this federal government is doing to shipping.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, this bill is an important piece of legislation before the House this afternoon. It is important to discuss the transportation policy of this government in relation to second reading of this bill.

The thing that I would like to make a couple of points on is basically the deprivation that this government has created in a rational transportation system along the coast of British Columbia. I am sure my colleague from Gander—Grand Falls concurs in the same dilemma that is faced by rural communities, coastal communities in Labrador and Newfoundland. We get a situation where it would be nice to have any kind of a coastal vessel that provided rational transportation.

There is a community where the Heiltsuk Indian band lives at Bella Bella of about 1,700 people, a community that has been there more than 12,000 years. It is likely going to be there another 12,000. They need one thing to make their community work, an absolutely critical thing. They need a roll-on, roll-off ramp so they can connect to barges that come in and connect to the B.C. ferry. That would reduce the cost of food in that community about 600 per cent. It would reduce the cost of building materials 600 per cent or more. It would reduce the cost of moving an automobile or a pick-up truck that is needed in a community like that or construction equipment about 600 per cent, from $600 down to probably less than $100.

This government absolutely refuses. It will talk about coastal shipping but it will not talk about the infrastructure needed to get that coastal shipping, passengers and freight into those communities.

• (1700)

At Bella Bella it is absolutely critical that this government provide the infrastructure to deal with coastal shipping. A roll-on, roll-off facility is needed there and it is absolutely crucial.

It is interesting that this is an Indian community, the Heltsuk Indian band. It obtains a good measure of funding from the federal government through the Department of Indian Affairs, Health and Welfare and a number of other federal agencies. This demonstrates the use, or abuse, of the taxpayers' dollars by this government because it is this government that is paying 600 per cent more for food. For a family on social assistance, the federal government must pay the social assistance at rates that provide food at 600 per cent. It would drop down to a normal figure if the government would simply provide that roll-on, roll-off facility.

Bella Bella, like many other Indian communities in Canada, is in serious need of housing. There are two and three families living in some houses. When they are paying hundreds of percentage points higher than in urban areas it is coming out of the federal taxpayers' pockets. The way to reduce that is to allow it to come in by major hauler on the B.C. ferries. The B.C. ferry could stop and unload there if the federal government would place a roll-on, roll-off facility on the Indian reserve.

This is one of the most outrageous things I have seen in the 12 years I have been in this House of Commons. I have been asking the federal government to consider that facility for 12 years. When we started talking about it the cost was $1 million. The federal government has spent far more than $1 million every single year on the excessive costs for food, shelter and basic services because it has not addressed the key transportation issue for the Bella Bella area, the Campbell Island home of the Heltsuk Indian band.

It is time for the ferry facility. The roll-on, roll-off facility which will hook into coastal shipping and transportation is now estimated to cost $5 million. The cost of food has gone up, the cost of building materials has gone up, and the cost of construction equipment moving in and out has gone up. The cost of plant and equipment for their new fish processing operation has gone up. Yet, that is still an extremely good buy.

The B.C. Ferries, the Department of Indian Affairs, the Department of Transport and the provincial Ministry of Transport could co-operate to place that facility there tomorrow and everybody would save a substantial amount of money.

The policy of this government is absolutely disgusting. It is bent on depriving people of an opportunity for a decent life, especially in this Indian community.

If this was the only problem maybe we could say: "Oh, well, it is just a small community on the coast of B.C." However, about 30 miles away is the community of Klemtu. Klemtu is the home of the Kitasoo Indian band, about 500 people scratching a living off probably one of the most barren areas in British Columbia. Coastal shipping is absolutely critical to them. Yet this government will not in any way help them. Their costs for food are similar. For example, a two litre carton of milk which would cost $2 at Mac's Milk here costs $6 in Klemtu if they can get it.

Just simply having decent coastal transportation that will dock there will help. There are two other Indian communities adjacent to it that nobody will service. However, if proper infrastructure was built in those communities so that they could move freight on and off their dock easily, if the federal government made an arrangement with the B.C. ferry system to stop in those Indian communities, the price of food would drop about 600 per cent; the cost of building houses and the cost of bringing construction equipment in there would also drop.

In these communities it costs more than $500 to go to Vancouver and back. That is an outrageous cost. They cannot leave there. It costs too much money. Many people in those communities are unemployed and on social assistance. If there was decent coastal transportation from Vancouver direct, such as the ferry service or another coastal shipping operation, that cost could be cut in half. As well, the service could virtually be guaranteed in all weather. It is astounding that the attitude of this government is to cut, cut, cut. What is happening is that it is cutting into its own spending. It is amazing what it has done. It is prepared to deny these people a decent transportation system, a roll-on, roll-off facility to connect to the B.C. ferry system. At the same time, it is willing to pay 600 per cent higher costs in food. It is willing to pay higher costs for fuel, oil, gasoline and diesel in the community. It is willing to deny, in the case of Ocean Falls, these communities medical and dental health, and other critical services.

It is a strange thing. It pays for the cost of the housing in those communities at outrageously inflated costs because they have got to be brought in by barge, and in some cases by landing craft. This is an intolerable situation. It is allegedly saving money on one hand and then throwing it away with vigour on the other because the people have to live, must have housing and food. Yet the federal government will pay them as long as they are on welfare. This is a government that actually facilitates the growth of the welfare system by denying some rational development in terms of a roll-on, roll-off ferry service in one area, and denying Klemtu a decent transportation system.

The people of Bella Bella have come forward with a plan. They want to put lights on the airport runway so they can have a reasonable scheduling of air services in and out of there, so that if somebody gets sick and needs a Medivac out they can do it more safely. They need a non-directional beacon on that airport so that there can be some instrument approaches made.

It is astounding. The federal government has been very, very reluctant to provide any of the infrastructure in that community that would allow safety, rational costs and the potential for economic development. It is time both for compassion for the people who live there and concern about their quality of life, which has been devastatingly poor because of the fact that nothing can be afforded. It is hard to get decent housing, it is hard to get food at a reasonable cost. It is truly time that this government woke up. Even with the wrong-headed economics practised by this group since 1984 and the devastating effect it has had on those communities, any kind of a sense of compassion would ensure that this happened.

It is amazing. The government packs off close to $250 million to transport particles around in this KAON development. I am sure it was done as a political stunt in order to help a dead government but certainly that dead government will not benefit one ounce from that $250 million from the federal government. It is viewed by most British Columbians as a joke, as is the waste of the $250 million contribution by the provincial government.

If we had that $500 million on the coast of British Columbia for things like economic development, proper housing, and proper transportation, the people living in the communities of Ocean Falls, Bella Coola, Bella Bella, Klemtu, and Shearwater would have a basically decent life. From the signals we receive from the present Conservative government it is not likely that any consideration will be given to those people during their term of office.

It is my hope that they will be able to move ahead. At Klemtu there is an important project to put an airport in there. The cost of servicing that community with food, other items, and passenger transportation by float plane costs an arm and a leg. Several of the airline companies have asked that this government consider putting a fixed-wing strip in there so that they can provide the community with freight and transportation at a much cheaper rate. So far nothing. Hopefully the government will come forward and provide an opportunity to create a co-ordinated coastal transportation system.

This government is closing down the lighthouses. I do not know what coastal shipping and coastal aviation is going to do. Several years ago when this issue came up there was a huge uproar about automating the lighthouses.

• (1710)

They said: "Yes, we recognize that it is the wrong-headed thing to do. The safety of coastal shipping depends on that". They said: "We will upgrade it. We will give them hourly weather reports. We will give them radio communications and we will enhance the services provided by those lighthouses".

Every transportation medium said: "We need them. They are a safety element". What did they do? They have now come back with a proposal where the public is not involved. They will try to shut them down again to save a few lousy bucks that will put in jeopardy the lives and the transportation safety of the system in British Columbia.

Second, they are now starting to close down remote communication outlets in such areas as Bella Coola and Ocean Falls. You need to have those remote communication outlets. They are saying: "They are not used enough". That is because they are used in an emergency. They are there when you cannot communicate with anybody else.

What these guys sitting on the government benches, the Conservative Party members, are prepared to do is to say when people are in emergency, when there is an aircraft or ship in difficulty and they need a Medivac: "Sorry, it costs a few dollars to keep that remote communications outlet open. We are going to shut it down".

It is time that stopped. That is part of the coastal shipping operation. That is part of the coastal transportation and the safety of the people who live and work there, of the Indian communities in the area. It is absolutely a right of those people to have a decent system of transportation and decent safety.

They are now closing down transportation beacons along the coast. One individual was saying that it is now getting more and more dangerous to fly up and down the coast of B.C. He was describing one operation he was involved in, transferring from Vancouver to Alaska the baggage that had been left from the cruise ships that go up and down.

It turned into quite a nice little business for the airline to bid on, but they said they are now closing down non-directional beacons and radio navigation equipment along the coast of B.C. I do not know what we are talking about when we say "coastal shipping". There is not going to be anything for these people to work with.

Again, the member for Gander—Grand Falls turns around and rightly informs the public and the House that they are now going to start charging user fees for the navigation system, for buoys and things along that line. That is absolutely ludicrous. Of course, they have been trying very hard to get a user fee system involved in getting weather services to save people's lives by getting good weather reports.

They are going to charge people for that. People are not going to use it because it will cut costs. Everybody wants to sharpen the pencil. Someone is going to venture out into bad weather and kill a whole shipload of people or an aircraft full of people.

It is not only in the marine sector where they are trying to impose the user fees. It is in the air side as well. It is time to stop this wrong-headed approach. Nobody puts a toll on the Trans-Canada Highway that the federal government helped to build, and the provincial governments maintain the highway system in the provinces.

Those are regarded as infrastructure for the convenience, the safety of the public and the economic development of the province and the country they are found in. This wrong-headed, stupid approach to charging the people who live on the coast of British Columbia and on the coast of Newfoundland more and more money is an absolutely wrong-headed and unsafe approach.

With regard to the transportation policy of this government, I cannot resist putting a couple of more things on the record. At Port Hardy, the people who live in Ocean Falls, Bella Coola, Bella Bella, Klemtu and in Shearwater all move up and down the coast of British Columbia. It is right on the Pacific Ocean. The storms howl in all winter, and it really is a tough place to work in the marine environment and in the air environment.

Every day those aircraft go out. They are trying to serve those communities at very high cost. How does the Conservative government try to help them? They come along, go to Port Hardy and say: "We are going to take out your BHF direction finding equipment."

When an airplane is lost out there, the flight service station will not be able to locate it and help it find its way back to that flight service station in the airport. It is on its own.

What happens is that as in the past, that thing saved people's lives. I personally heard it happen on the air, using that VDF direction finding equipment. It must be maintained in there. If it breaks down, the government will say: " We are not going to put it back". But it has got to be kept in there.

There is another absolutely blind, stupid thing done by this government in that same Port Hardy flight service station which is a transportation key on the coast of British Columbia. It turned around and said: "Oh well, we are going to save some money. Instead of operating this flight service station 24 hours a day, if somebody phones in sick, we are not going to pay any overtime for anybody else to come in. We are just going to close it down".

When they close it down, they cannot give them an altimeter setting for the aircraft. They cannot monitor whether or not the instrument landing system is functioning. So now when a pilot arrives to take somebody out of the hospital on a Medivac they cannot descend below 5,400 feet because they are on a non-precision approach. What happens is that the person is going to sit in that hospital because these guys have to over-fly that airport.

This is to save a few lousy bucks. I do not know who the government is prepared to let die in that hospital because they cannot be flown out of there. When is it going to stop? The people who live and work in those communities deserve some fair treatment. They do not deserve to be hung out to dry for a few lousy dollars, an overtime shift that could cost somebody their life.

When the navigation equipment on an airplane acts up, which it does, and an airplane gets lost with a load of people, the only thing between them and oblivion is that VDF direction-finding equipment. The government could save a few bucks, but it will lose a plane load of people, and it is prepared to make this unworkable, unsafe and extremely expensive.

I do not know what kind of an appeal could be made to the government members. It is time to look into that transportation system. Look at the money you are paying out in some of those Indian communities for welfare, with a 600 per cent increase in food and housing costs. You are killing economic development. Any hope is lost for many of those people to be able to get up on their feet. There is tremendous initiative there, all kinds of innovations. Some of the hardest working, creative people I have ever worked with are in there and yet they are absolutely stymied by the unwillingness of this government to look seriously at what the needs of the transportation system are, to help the quality of life and to help economic development.

I would urge the government, using this bill dealing with coastal shipping, as the mechanism to look at smaller communities such as Ocean Falls, Shearwater, Bella Bella, Bella Coola, and I make an appeal. When you are paying $6 for a two litre carton of milk, 600 per cent more for bread, eggs, fruit to give your kids, and fresh vegetables, all this can be saved. But for some help, why not leave the northern tax allowance in place. You do not need the money that badly, to deprive kids of decent food, to deprive people of safety. You do not need the money that badly. Those people work hard and it is just amazing what this government has done to them.

Restore that northern tax credit and allow them to at least retain some of the money they work so hard for, and give their children a benefit in that area.

The Acting Speaker (Mr. DeBlois): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport.

* * *

STATUS OF THE ARTIST ACT

MEASURE TO ENACT

Hon. Bernard Valcourt (for the Minister of Communications) moved that Bill C-7, an act respecting the status of the artist and professional relations between artists and producers in Canada, be read the second time and referred to Legislative Committee G.

He said: Mr. Speaker, I would like to say how delighted I am to rise on behalf of my colleague, the Minister of Communications, to begin debate on this extremely important piece of legislation.

There is an urgent need to recognize the status of artists in Canada. The status of the artist's legislation has been discussed by commissions, committees, standing committees and task forces for the last 15 years. The principles which lie behind it have been debated for at least the past 40 years. All parties represented on the Standing Committee on Communications and Culture have urged the government to act on the status of the artist. The arts constituency is urging the government to act on this bill and the public at large is equally supportive. Our homework has been done, thoughtful discussion and consideration have been given, and the time for action has now come.

• (1720)

Canadian artists need Bill C-7 because it enunciates the principles through which the federal government will act on their behalf. It will provide the leadership combined with the actions of Quebec, which has its own status of the artist bill, to encourage other provinces to provide similar legislation at the provincial level.

[*Translation*]

I am thinking of a province like New Brunswick, where our Acadian artists are working very hard to make a name for themselves. I think the Province of New Brunswick would do well to follow the lead of the Parliament of Canada and adopt its own legislation on the status of the artist, as Quebec already has.

[*English*]

Because, the Lord knows that artists deserve it. Their contribution to our society is invaluable and their creations give an expression and human dimension to our deeply held convictions. Sometimes some people say that subsidies for artists are sufficient and ask why we need to do more. Well, a closer look at the facts tells a very different story.

There are approximately 30,000 artists in this country and the Canada Council provides 15 per cent of its funding, or roughly $15 million, in the form of direct grants to artists. It does not take a genius to figure it out. That is not very much money per person. In fact, it is about $500 per person.

[*Translation*]

Professional groups working in the performing arts in Canada today have a total budget of $350 million, but only one third of that amount comes from our three levels of government. The remaining two thirds comes from box office receipts or private sector funding.

As you can see, the community's financial contribution, although essential, is not really substantial while the artist's contribution can be quite substantial.

Generally speaking, in Canada artists have a university education—an average of 17 years of schooling during which they developed their skills. However, at the peak of their careers, most artists can expect to earn less than a garbage collector.

People sometimes ask me, and I am sure other members in this House have been asked the same question: Why do we need special legislation for artists and not for engineers, lawyers or plumbers? The answer is quite simple: an artist's life is unlike that of any other worker in this country. Take, for instance, an actor who plays a role in a current play, say for four weeks. In the morning, he might have a workshop or a rehearsal for another play; that afternoon, he might work at McDonald's to earn some extra money, and the same evening he is on the stage.

Now, how would you describe this person from the tax point of view? Is he a student? A contractor? An employee? For performing artists, this kind of life tends to be the rule, not the exception. It is bad enough artists have trouble surviving. It is intolerable that they do not have a recognized special status in this country.

The purpose of the bill before the House today is to officially recognize the importance of artists in our society. It covers the whole area of professional relations between artists, associations and producers under the jurisdiction of the federal government, including the CBC, the National Film Board, the National Arts Centre and the broadcasting industry.

[*English*]

The bill provides for the creation of a tribunal parallel in structure to the Canadian Labour Relations Board which is designed to be sensitive to the specific needs of Canadian artists. It will do this by accomplishing three tasks. First, it will divide the arts universe into sectors. Second, it will certify an artists association for each sector. Third, it will regulate scale agreements entered into by certified associations and producers.

The principal advantage of this process is that artists and producers associations which are certified will no longer be liable to prosecution under the Competition Act. The tribunal will be vested with the powers needed to arbitrate grievances, to settle cases of unfair practices, and to impose penalties for infractions.

By legally acknowledging the specific working conditions of artists and recognizing their right to form associations and negotiate minimum conditions of work, this bill will finally establish a place for artists in our labour relations legislation.

I am aware that representatives of the artistic community have expressed some concern regarding certain aspects of the operation of certified associations under the regime instituted by the bill. The Minister of Communications has indicated the government's willingness to consider improvements to the relevant provisions provided that any modifications are seen by all sides as preserving the balance and the basic principles underlying the legislation.

Bill C–7 also creates a council on the status of the artist to advise the Minister of Communications on matters relating to the professional status of the artist as well as to conduct further studies and research.

The council is composed of outstanding Canadians who promise to speak forcefully and effectively on behalf of their colleagues.

The highlights of the bill are formal recognition of the professional status of artists in Canada, the creation of a tribunal, and the formation of the advisory council. However, no one should view this bill as the sum total of what we need to do for Canadian artists. Rather this bill is a foundation upon which we can build. It is a stepping stone to examine a whole range of issues which affect artists. We are taking measures to protect artists' royalties from the bankruptcy of a cultural enterprise. In addition we hope to put a program in place which will ensure that the artist receives the royalties which are his or her due.

Recently my colleague, the Minister of Finance, prepared legislation which allows employed artists to deduct some of their professional expenses. It will also provide incentives for visual artists to donate their paintings or other works of art without penalizing them on their tax returns.

These are but a few examples of actions we are taking in this field.

[*Translation*]

With Bill C–7 before the House today, the government wishes to provide a framework for government involvement in the arts community which goes beyond mere subsidies. In fact, my colleagues and I see the arts world as a dynamic and growing industry that goes to the very heart of our identify and deserves government support.

• (1730)

I am convinced that Bill C–7 will improve the status of the artist in Canada, but I would also like to address some doubts that have been voiced in this respect.

Some members of the arts community said they were afraid that decisions by the tribunal on the status of employee or dependent contractor, as opposed to independent contractor, might be reviewed and reversed by the Canada Labour Relations Board.

Let me say right now that this cannot happen. The Canada Labour Relations Board will not be able to review the decisions of this tribunal, any more than the tribunal will be able to review those of the Canada Labour Relations Board. All appeals will be heard by the Federal Court of Appeal, which will have sole review jurisdiction over the Board and the new tribunal.

[*English*]

Canadian artists represent a dynamic pool of talent upon which numerous industries draw. Obviously the performing arts, but also broadcasting, book publishing, sound recording and film industries, our newspapers, magazines and reviews, draw upon them. Our educational system is learning to draw upon them.

This talent pool is absolutely vital to Canadian interests in terms of our identity, our shared cultures, and our social and economic well-being.

This bill is so elementary, so straightforward, so absolutely necessary that it should not require massive debate. It will finally, after 40 years of discussion and debate, give us the foundation from which we can move forward on a whole range of policies.

[*Translation*]

—Mr. Speaker, I therefore move:

That Bill C-7, an Act respecting the status of the artist and professional relations between artists and producers in Canada, be referred, after second reading, to the Standing Committee on Communications and Culture.

[*English*]

The Acting Speaker (Mr. DeBlois): The House has heard the terms of the motion. Will those members who object to the motion please rise in their place.

[*Translation*]

And fewer than five members having risen

The Acting Speaker (Mr. DeBlois): Fewer than five members have risen. Pursuant to Standing Order 73(3)(b), the motion is deemed adopted.

Motion agreed to.

[*English*]

Ms. Mary Clancy (Halifax): Mr. Speaker, it gives me great pleasure to speak on second reading of this most needed piece of legislation.

I want to begin by doing something that I do not often do, which is agreeing whole-heartedly with the Minister for Employment and Immigration. The hon. minister said today that this bill should not be taken as the sum total of government policy on status of the artist, that it should be taken as a foundation. What I agree with in particular in his words is when he said it should be taken as a stepping stone. Perhaps the stepping stone analogy is a good one, when we talk about bills of this nature and even when we talk about the process of development of legislation within the Chamber.

I would hope that the stepping stone that the government has introduced to date will be added to with more stepping stones and a stronger foundation when it indeed goes to committee for further review and for possible amendment.

I would like to quote from the Applebaum-Hébert report, the Federal Cultural Policy Review Committee of 1982, when it was said: "The largest subsidy to cultural life in Canada comes from unpaid and underpaid labour of artists, from the artists themselves".

That is probably the truest comment that has been made, not I must admit on the status of artists in Canada alone, but on the status of artists of artists world-wide. It is probably true in any country of the world that artists are the major subsidizers of culture and cultural life.

We come to realize this. It was nine years ago that a federal committee made the statement and told us this. The difference is that we have an opportunity to assist the artistic community and to remove some of that incredibly onerous burden of being the main subsidizers of cultural life in Canada.

I think it is particularly apt that this bill should come forward at this stage in our development, at this stage in our history when we are all so concerned with our national identity, with questions of national unity, and when we are all looking for the ties that will bring us together as opposed to those that will push us apart.

Bill C-7 had its beginnings 11 years ago when Canada signed the UNESCO recommendation to consider the implementation of a broad range of policies to recognize and encourage the development of the role of the professional artist within society. That UNESCO resolution included funding, training, professional status for artists, access to social programs such as health care, pensions and unemployment insurance, and protection from unfair labour practices.

Pursuant to that, in 1986 the hon. minister of culture of the day appointed Gratien Gélinas and Paul Celene to consult with Canadian creators to develop recommendations for the federal government as to how to implement the spirit of the UNESCO declaration.

The 41 recommendations made dealt in the main with measures which fall under federal government's domain. The very first recommendation that the government acted upon was the creation of the Canadian Advisory Committee on the Status of the Artists.

Under the co-chairmanship of Paul Celene and Henri Dominique Perras, it included representation from major disciplines in the arts. It developed draft legislation referred to as the Canadian Artists' Code with the Department of Communications and other departments of the federal government.

In 1989 the then Minister of Communications appeared before the committee on communications and culture regarding various policy options on the status of the artist. That committee eventually made 11 recommendations in its report to the government.

In May 1990 the government tabled its response to the standing committee and promised the following measures: first, to extend the right to collective bargaining for self-employed artists and the creation of appropriate administrative procedures; second, to create a permanent body, the Canadian Advisory Council on the Status of the Artist, to advise the government on a continual basis on ways to improve the socio-economic conditions of professional artists; third, to provide a maximum $1,000 employment cost deduction for employed professional artists; fourth, to provide a mechanism through which visual artists can donate works of art from inventory for tax credits; fifth, to protect the royalties of artists from the bankruptcy of a producer; sixth, to recognize the right for compensation for public use of works of art; and, seventh, to provide a statement of fundamental principles.

• (1740)

The absolute necessity of this bill having the teeth to deal with the recommendations promised by the government can be seen by anyone who has had anything to do with almost any segment of the artistic community of this country.

We have across this country thousands of people who live basically a hand to mouth existence. It is an amazing thing that two years ago I attended the ACTRA lobby on the Hill. It was a very exciting day to meet face to face with some of the most revered and respected actors on the Canadian theatre, television and movie scene.

I spoke to one woman who shall go nameless, but her name would be instantly recognizable across this country, and she told me that for the year just past she had made in the vicinity of $4,400 in her profession. It is a ludicrous amount of money. We know that.

Frequently, as artists will tell you themselves, they do not have much choice in the matter. There is something in the God-given talent that they have that says to them: "I must do this. I don't have a choice. If I don't do this, my life is not working the right way. I am not happy". It is unfortunate that in pursuing the muse, in pursuing the talent that they were born with, they are forced to live in what does not even come close to a poverty line existence in this country.

It is something that we cannot as a nation go along with any longer. Some 500, 600 or 700 years ago in Europe actors were considered to be gypsies and to be a class of people just barely above robbers, highway men, thugs and thieves. Even then when bands of actors and entertainers came to villages and towns across western Europe everyone turned out because it was something that brought together the spirit of the community, that made people able to face their lives which in those times were particularly terrible with a lighter heart, with a better feeling about themselves, and with an opportunity to learn something perhaps about another part of their own country, about a different country, whatever.

I do not think there is any question and I do not think there is anyone in this House who does not agree that the existence of a vibrant, active, creative artistic community is an absolute essential to the existence of a vibrant and creative Canada.

There are two kinds of contributions that they make. We have talked a bit about the cultural contribution. Those creative people, playwrights, artisans, crafts people, directors, choreographers, film makers, the producers of radio programs and on and on, all of the different creative arts that we are fortunate to have in this country, also create jobs. If they were paid what they were worth, if they were paid even close to what they were worth, they would be expanding the tax base in this country as well. It is in the best interest of all of us to see that their financial situation is improved and augmented in the best way we possibly can.

It used to be, again in the European tradition, that wealthy individuals would sponsor certain artists. It is doubtful we would have the great treasures of Michelangelo were it not for the Medici. It is doubtful that we would have the writings of Shakespeare were it not for the patronage of the Earl of Surrey. It is doubtful whether we would have many of the great works of art, literature and music that form the basis of the cultural of western civilization, were it not for the patronage of the wealthy. There still is a role for that to a degree. That is why we see private foundations and private donations to the arts. There is a place for that. However, in the modern nation state that is Canada the major benefactor for the arts, to ensure that the arts develop in line with the national vision that we are defining and redefining every day as we speak, has to be the government.

The government has a responsibility to be the Medici of the latter part of the 20th century and the beginning of the 21st in Canada.

The government has to set the policy and the standard. Otherwise, the regional pulls, the various cultural pulls might create an imbalance and we do not want an imbalance. We want to see a sense of fairness and we want to see the continuation of the vertical mosaic, not the melting pot that is Canada.

These contributions are what enable us to define and distinguish ourselves as a nation different from and unique among other nations. We must provide an adequate network of support which would be an enabling factor in the improvement of the socioeconomic status of the artist.

We know that the cultural sector has been weakened, and weakened severely, by the free trade agreement. Although I believe that every member of this House firmly believes that culture should not be on the table in the new round of free trade talks between Canada, the United States and Mexico, does anyone seriously believe that if Carla Hills, the American trade representative, says it is on the table Canada is not going to have to discuss it, at the very least, at some point? The scales have to fall from the eyes of hon. members on the government side. Ms. Hills is not to be trifled with. If she says she is going to talk about it I think she is going to talk about it.

While I am delighted to hear the protestations of the Minister for International Trade, the Minister of Communications, the Prime Minister and other members of government that culture is not on the table it is going to take more than mere words to protect Canada's cultural industries and Canada's cultural creators from that massive cultural machine to the south of us.

As we sit on our side of the longest undefended border in the world, we know that on every television set in this country and on every radio station we are inundated with American television programs and American music, we are inundated with American literature, American motion pictures, American newspapers, American magazines, and so on and so on.

Amazingly in spite of this, Canadian cultural industries and Canadian creators and artists have managed to survive and even thrive in what has not been a garden adequately watered.

I remember as a child delighting in the few Canadian productions I used to see on the fledgling CBC. I remember when television first came, at least when it first came to Cape Breton Island, and I remember watching a Canadian Howdy Doody instead of an American Howdy Doody. I remember watching Robin MacNeil, now a co–host of the MacNeil–Lehrer Report on public broadcasting in the United States, do a wonderful program for children out of CBC Ottawa called: "Let's Go to the Museum". I remember watching puppet shows that were Canadian, produced in Montreal. I remember watching a librarian from Toronto, whose name I believe was Beth Gilanders, on a show called *Hidden Pages* on early television get Canadian children interested in going to libraries. All of these things were wonderful and we have always done reasonably well in cultural endeavours relating to children. We give ourselves a good start but then there is this vast wasteland in between. That wasteland begins at the age when children become teenagers and start to develop their own interests in cultural matters.

• (1750)

As a teenager I do not think that I saw a movie made in Canada. They were not being made in Canada, with the possible exception of short subjects before feature presentations fortunately made and kept alive by the National Film Board. I certainly was an adult—I believe I had finished university—before I saw my first Canadian-made feature film. There was one exception, the movie *The Little Kidnappers* made in Cape Breton in the late forties or early fifties shown when I was a child. However for the next 25 years there was nothing else.

Over the last 15 years we have seen a tremendous rebirth, a renaissance, or perhaps first birth, of Canadian culture in the making of films, the writing of plays, and the creation of literature. We have a literature in Canada that can stand on its own with any other. The fact that some of our greatest writers happen to be women is merely an added attraction of our cultural industry.

It says something to young Canadians, and to older Canadians as well, when they turn on their television set and see a program that is clearly set in a Canadian city or in a Canadian rural area. It gives them a sense of self within their national context. It gives them a sense that this is what their country is creating and that it relates to them. For the young Canadian in Birdall, Manitoba, seeing a movie set in Montreal gives him a sense of identity and connection with another part of the country. He says to himself: "That was made in my country, and that is important to me, and that adds to my sense of identity as a Canadian".

I happen to be spending more time talking about actors but I suppose it is because that is the cultural industry I have been fortunate enough to be somewhat close to. I think of an actor such as Kenneth Welch and remind everyone of his magnificent portrayal in the mini series based on the Thatcher murder case. Ratings on the network that showed this mini series in Britain a couple of months ago were the highest ever recorded in the British Isles. That is a Canadian-made series with Canadian actors based on a Canadian situation. We can compete, in both our official languages, with any other country in the world and do well, not only do well but excel.

Everything must be done to support the position of those creators of this culture and to safeguard the position of those who mirror the values of our society, the political, social, ethical and economic values of this country. We must protect our ability to exercise our sovereign rights as a nation with respect to a strong cultural sector.

In May 1990 when the government tabled its response there was a tremendous response from the cultural communities themselves. Bill C-7 has two major domains. First, labour relations. The legislation provides self-employed artists the right to be allowed to collectively bargain through their organization. In order to receive recognition for the purposes of collective bargaining, organizations will seek certification from an independent commission to be known as the Canadian Artists and Producers Professional Relations Tribunal. We applaud this, but there are concerns relating to clause 22(2). This clause states: "No artists association may be certified if any of its bylaws has the effect of prohibiting its members from working with artists who are not members, are former members or have been suspended or expelled from the associations for reasons other than professional misconduct".

It is the understanding of ACTRA that Bill C-7 will thus prohibit closed shop in the cultural field.

The goal of such legislation should be not so much to prohibit the entry of performers, but to ensure that Canadian performers are assured of employment opportunities. There is no question that art should be international. There are great artists we would want to see perform in our country and there are certain circumstances where we would be mad not to permit this.

The situation that comes to my mind first and foremost is the one that surrounded the transfer of the musical *Miss Saigon* from London to New York. As most of you who are familiar with the cultural industries are aware, the American performers' unions made a concerted effort to say that there were American actors who could have played the role. That is the point. It is not to take anything away from the British actor who originated the part, but there were American actors who could play the role.

I think there are exceptions to this that we have to deal with in Canada, as in any other country. When I think of the great Maggie Smith, John Gielgud and great actors from various countries in the world, when we have the opportunity to have them in our midst, we should be grateful and take that on.

However as with any profession, the kings and queens if you will, are few and far between and the vast majority of the performers are good, solid, journeymen professionals who can do the job. There are just as many in Canada as there are in any other country.

The particular fear surrounding 22(2) is that Canada is opening up its cultural borders in this particular area when other countries are closing theirs down. We have to create a balance that supports our own home grown actors, who are as fine as any in the world, who are envied the world over. We have to set up a situation whereby there would be reciprocity between different countries. We can do this, but we have to say to our own actors: "You are good enough. We do not need to import someone. When productions are being done in this country, you are going to have the first shot".

The Canadian Conference on the Arts, in speaking of the creation of the Canadian Council on the Status of the Artist, has called for the council to be managed at arms length from the Department of Communications and any other government department or agency for it to be the most effective. We support this and we are sure that this will be the end result of the creation of the council.

The Liberal Party supports the bill, but really hopes to see improvements at committee stage because we feel it does not go far enough. It only marginally improves the socioeconomic status of Canadian artists and does not fulfil the government's own promises in response to the standing committee's report of December 1989.

What is missing are taxation provisions, bankruptcy protection, compensation for public use of art works and access to social benefit programs. Artists are still waiting for the government to take action on the income averaging provisions.

The standing committee recommended that artists be given the right to stabilize their income by setting aside a part of their artistic income in an artistic account on which tax liability would be deferred and that the Income Tax Act be amended accordingly. The government only promises to examine income averaging provisions as it seems to be its view that such allowances already exist through liberalized RRSP rules.

• (1800)

The response of the Canadian Conference on the Arts is that the RRSP solution is seriously flawed. RRSPs were created to provide pension incomes, not to serve as an income averaging device. This is a very specialized situation and one that needs a very specialized response. Bill C–7 does not address the government's commitment to protect artists' royalties from the bankruptcy of producers.

On the recognition of the right of compensation for the public use of artwork, the bill remains silent on the right of compensation by the government for the public use of works of art.

Clause 2(e) recognizes the importance of compensation but it does not provide for any formal recognition or mechanism so that that compensation may be paid.

With regard to the access of social benefit programs, many artists are self–employed and unable to benefit from health or income security plans and unemployment insurance plans. That is why the Standing Committee on Communications and Culture recommended that proposed legislation give artists who are represented by certified professional associations the right to be an employee for unemployment insurance purposes on that part of income generated from salaried employees. The UI Act should be amended accordingly and the Minister of Communications should explore the demand for and the viability of establishing private group benefit plans for creative artists.

That is what the need is, Madam Speaker, and I know how well you know that.

The government's response to the first recommendation was to continue to examine the eligibility criteria of the UI program with a view to expanding coverage to artists within the framework of the UI Act.

The government's response to the second recommendation was to pass the issue over to the Canadian Advisory Council on the Status of the Artist to propose options to solve the problem.

With the greatest of respect and as much as we want this bill, I think that we can find the options now and I hope that we will be able to do so within the amendment process. We feel that the government has failed to adequately address and act upon the four unanimous recommendations of the standing committee.

If the government is committed to improving the socioeconomic status of the artist and I believe it is, it would also provide adequate funding for the CBC so that job cuts are not so necessary.

It would remove tax on books and magazines and newspapers because this tax is causing fewer publications to be purchased and fewer authors to be published.

It would restore postal subsidies to Canadian magazines.

If the government is committed to fostering and promoting the Canadian film industry, it would fight the American domination of cinema screens by introducing the long awaited film distribution bill.

This bill is, in the words of the Minister of Employment and Immigration, a first step, a foundation, a stepping stone. But we need more than just a stepping stone. We need a bridge, and we need a strong foundation. It is my firm belief that that firm foundation can be built on this bill as it stands with a few changes, a few amendments. I firmly believe that it is the desire of the government and all members of this House to ensure that as a group, the artists of this country deserve the best that we can give them. They are utterly and intrinsically important to our cultural survival, our sense of self, our sense of identity as Canadians, our ability to communicate among ourselves, to ourselves and about ourselves.

I believe all of us who sit in this House represent artists. There is not a riding in this country that does not have its artistic contingent. All of us—I know I certainly feel this way—have almost an envy, if I can use that in the best sense of the word, for those people who have been given the talent, drive, ambition and perseverance to continue to create in an atmosphere that does not foster creativity. They continue to create when they could make more money and have more security elsewhere. They continue to create when, because it has taken us such a very long time to get even to this point, they must sometimes wonder if we are listening here, if we are aware of what it is they are trying to do and if we care.

I think, Madam Speaker, that we do care. We care very much. We care for the artists in this country because we know how important they are, just as everyone of us in this House cares for this country and, I pray, is determined to preserve it. Part of that preservation, a very major part, is the cultural input of creative artists in this country.

Therefore I say in conclusion that this bill is a good first step. It needs some improvement. I cannot wait to get to the part where we are allowed to make those improvements.

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, I think it is tempting to perhaps cite the irony of the fact that this legislation, Bill C–7, which is the bill to recognize the status of the artists in this country, should be presented by a government that has conferred such significant cuts on the cultural institutions in this country. It has imposed a GST on books and has put the cultural industries of this country at risk by the free trade agreement that was negotiated in the past and a trilateral free trade agreement now in the process of being negotiated. It is a government that has failed as yet to provide sufficient protection for Canadian film distributors.

I think that that would be perhaps mean and inappropriate at a time when the artists of this country have for the first time achieved what they have been seeking for so long. They have achieved recognition of their status as an important part of this country and as professionals in this country with the protections that they ought to have as workers, artists and professionals.

I am going to say a great deal during this debate about the significant contributions that those whom we describe as artists provide to this nation. I think there is a danger that in treating them in the abstract in an idealized and perhaps philosophical manner, citing the historic contributions that they have made to the human psyche and the way in which they have reflected the best of our imaginations and our creativity, we will glamorize them too much and probably see worth in glamorizing even the starving artist.

The fact is that our artists, our performers, have to grapple with the same economic hard times as the rest of Canada Being the parent of two artists, one a dancer and singer and the other a singer, I must say that as a parent, proud as I am of their talents and skills, I cannot help but say that I feel a gnawing concern about their financial futures. The starving artist is in fact too much of a reality.

For example in 1990 ACTRA members earned an average of $8,540 from work as professional performers, writers and broadcast journalists in the recorded media.

• (1810)

Revenue Canada information indicates that professional artists are among the lowest paid groups of workers in society. In fact they are the lowest paid group in society. They earn less than pensioners. Self-employed artists in this country earned an average annual income of around $16,000 in 1988. This small pittance was not earned without hard work and without having gone through a great deal of training and apprenticeship in their crafts.

The average artist has acquired 17 years experience in his or her artistic field and devotes from 35 to 45 hours a week to their crafts. So there is a significant need to attach to the status of the arts the appropriate economic return to ensure that artists and their families can survive.

The New Democratic Party supports this legislation because the New Democratic Party supports the arts and the artists' place in this nation, not because it is politically convenient but because the arts is an important component of Canada's well-being.

We see the work of the artistic community as being somewhat complementary to the goals of our own party. That is to improve and enrich the lives of Canadian citizens. That is not just in an abstract way. There are significant economic benefits that accrue from the creativity of artists. It is one of the most important portions of our economy and those who are engaged in this enterprise should be aptly rewarded.

In supporting Bill C-7 we are acting in accord with our past record in supporting legislation, as we did for a revised Copyright Act, that would enhance the status and the economic returns for those who are engaged in the creative arts.

Bill C-7 comes at an interesting time. It comes at a time when we are trying to define ourselves and determine what gives us unity. We must recognize that an important part of this projection of our unity and the identification of what constitutes the basis for our national unity is the contribution of the country's painters, writers, performers, designers and poets. They must be recognized as important to crystallising that identity.

We support Bill C-7 because it recognizes the important contribution of artists to the cultural, social, economic and political enrichment of Canada, as well as the right of artists and producers to freedom of association and expression. It does indeed give legislative force to their recognition as professionals.

It also calls for the establishment of a permanent Canadian Council on the Status of the Artist with a mandate to promote the interests of artists not only to the Minister of Communications but generally throughout this nation, to enhance the status of the arts and artists, and to maintain close association with those organizations that represent the artistic disciplines across Canada.

Most important, with respect to the desperate economic straits of professional artists, Bill C-7 provides for a Canadian artists and producers professional relations tribunal which will be responsible for overseeing the collective bargaining process in the arts and culture sector, including the recognition of professional associations and the creation of a process for negotiation ending in arbitration.

This is an important step which recognizes the unique position and unique needs of artists and separates them from the purview in most aspects of the Canadian Labour Relations Act. The tribunal in defining the professional status of artists will determine whether, for example, a person is a producer or an artist or whether an independent contractor is a professional artist or not.

This is a positive move, according to artists, toward the same rights as other workers and other professionals have. There are, however, significant flaws in the legislation which we hope to address in committee and to which we hope the government will be sympathetic.

One of these has been identified by the Canadian Conference of the Arts, which acts as a voice on cultural issues for over 200,000 Canadian artists and cultural supports. It cites clause 2(e) with its rather cryptic reference to the importance that artists be compensated for the public lending of their work.

This is an issue which is extremely important to artists. They are given short shift because there is no place in the legislation that will give force to this identified right. Unless there is provision to ensure the appropriate compensation for the public showing of art, it should be deleted.

There is no use having something in the bill that means nothing. We will be struggling to ensure that clause 2(e) is given legislative force to ensure its implementation. It is especially important for writers, visual artists and others who will not belong to a collective bargaining unit.

Passage of Bill C–7 with an appropriate amendment in this regard will certainly be seen as a real benefit to artists.

Clause 22(2) of the bill also creates a problem for Canadian artists. It restricts cultural labour organizations from taking action against non–members.

The intention of this is to ensure that there will not be a closed shop approach to the cultural labour market. In fact, what it does is prevent cultural labour organizations from taking any measures to protect jobs in Canada from foreign workers in a situation where there is not corresponding access to the market in the country from which those artists might have come.

The artists want this clause of the bill amended to allow protective measures to be taken against foreign artists where there are no reciprocal agreements in existence. The provision should be completely removed.

We would also like, along with the artistic community, to see amendments to Part II, clause 8(3), of the bill accepted. The bill in this regard defines artists as independent contractors or free lancers but gives the Canada Labour Relations Board the power to decide which artists are deemed to be employees for the purpose of labour relations. These artists so deemed would not be covered under the Status of the Artists Act.

This means that those artists could be subject to rules which are inappropriate to the arts, the inappropriateness of which has been recognized by the creation of the new tribunal. Therefore, the members of the artistic community would like to see an amendment to the bill that would allow the tribunal provided for in the bill to make its own determination and have equal footing with the Canada Labour Relations Board in that respect.

As it now stands the act would give precedence to the CLRB instead of the tribunal. The Alliance for Canadian Television, Cinema and Radio Artists which represents 10,000 professional performers, writers and broadcast journalists working in Canada put forth recommendations for a compromise which calls for the institution of an appeal process. Second, it calls for the amendment of the wording to state: "Unless such persons shall be independent contractors at common law". This would be added to clause 8(3)(a) and (b).

The New Democratic Party supports recommendations for these amendments. There are some others which need not be detailed here.

The bill does not address some of the issues concerning taxation in respect of which artists have called for reform. They want to see additional personal exemptions for employed artists. They want to see the establishment of a social benefit scheme for artists. They want a dual status for artists: freelance for the purpose of the income tax and copyright and employee for the purpose of social benefit. They want to see bankruptcy provisions and income averaging. These issues should be pursued with alacrity.

• (1820)

We have always as a party advocated a comprehensive review of the tax system, not only to provide fairness for artists but fairness for all Canadians. What the artists seek is appropriately a part of that kind of reform.

The bill, as we said, initially is welcome. It is long past due. It is of paramount importance. The artistic community wants it and they need it. The country needs it particularly at this time.

We look forward as a party to making appropriate contributions to strengthen the legislation so that full satisfaction will be given to those needs.

[*Translation*]

Madam Deputy Speaker: Questions or comments? Resuming debate. The hon. member has the floor.

Ms. Nicole Roy-Arcelin (Parliamentary Secretary to the Minister of Communications): Madam Speaker, I welcome this opportunity to speak today to the bill on the status of the artist, because I am convinced Canadian artists have a fundamental role to play in expressing the personality of our country.

Here and abroad, it is our artists who have given eloquent expression to our collective identity and the distinctiveness of our regions. However, despite their success, those same artists are often forced to live in economic circumstances that are marginal, compared with those of their fellow citizens.

In 1951, the Royal Commission on National Development in the Arts, Letters and Sciences said in its report that:"One mesure of the degree of civilization attained by a nation might fairly be the extent to which the nation's creative artists are supported, encouraged and esteemed by the nation as a whole." The time has come to recognize the tremendous contribution made by Canadian artists and to improve their working conditions.

The status of the artists bill is the final stage in a long process of careful reflection. I would like to recall, for the benefit of all members, some important milestones in that process.

The Massey-Lévesque report stated in 1951 that most artists in this country could not make "even a modestly comfortable living" and was concerned about the paucity of cultural assets in this country.

In 1982, the conclusions of the report of the Federal Cultural Policy Review Committee were scarcely more optimistic. The report stated that although the contribution made by artists had increased steadily in the past 30 years, their working conditions had remained practically unchanged. The committee said that artists could be defined as poor, highly specialized workers.

The Siren-Gélinas task force created by the Government of Canada in 1986 felt it was both remarkable and unfair that Canadian artists had been able to gain national and international recognition while remaining well below the poverty line.

The task force recommended creating a Canadian Advisory Committee on the Status of the Artist, with a mandate to survey the needs and aspirations of the arts community and advise the government on all matters, issues and policies affecting the status of the artist.

What is the status of the artist in Canada? A study ordered by the federal Department of Communications found that the average professional artist was about 44 years old, in most cases self-employed. He had 17 years of experience in his particular discipline. He spent from 35 to 45 hours a week practising his art, while another 10 to 15 hours was spent doing other work in order to survive.

The average annual income of artists in Canada is $15,000, which is not a lot compared to that of an assembly line worker in the automotive industry, $27,500, or a high school teacher, $36,000.

I would add that artists' income is most often variable and intermittent and that they are not entitled to the benefits most Canadian workers enjoy, in particular unemployment insurance, disability insurance and retirement plans.

Therefore, we may wonder whether the working conditions of Canadian artists are as good as they can be and, that being so, we may be concerned for the new generation of artists whose often bold, experimental and provocative production is necessary for cultural renewal. It is not surprising that more than half of the creators consider their work a vocation rather than a business or a profession.

To do so, it will create the Canadian Artists and Producers Professional Relations Tribunal whose purpose will be to accredit self-employed professional artists' associations so that they can negotiate and enforce labour contracts that set minimum pay and working conditions for their members, without risk of prosecution under the Competition Act.

The bill will also set up the Canadian Council on the Status of the Artist. Its mandate will be to inform and advise the Minister of Communications regularly on any matter concerning the status of artists and it will succeed the Canadian Advisory Committee on the Status of the Artist. The experience of this committee was conclusive. The Government of Canada benefited from its contribution in its last three years of existence.

That is why the government wishes to establish the Canadian Council on the Status of the Artist permanently, so that it can carry out the necessary research and work and propose viable solutions to the problems that have confronted artists for many years, concrete problems like access to private benefit plans, tax matters or unemployment insurance.

The Council will therefore advise the government on projects and measures to promote the status of artists in Canada.

Furthermore, the Government of Canada intends to provide artists, creators and performers with a favorable climate for artistic creation and expression and to take more account of the realities of their profession.

With this in mind, the government proposed additional measures in response to the report of the Standing Committee on Communications and Culture to improve economic conditions for artists. These measures include raising public awareness of the arts, improving tax breaks for visual artists who give works to organizations designated by the Cultural Property Import and Export Act or to the state, considering a compensation program for artists in case cultural enterprises fail, preparing a study on access to private benefit plans for self-employed artists, and introducing measures to enable salaried artists to deduct for income tax purposes work related expenses up to $1,000 or 20 per cent of their income from artistic activities.

These examples show that the Government of Canada wants to give artists their rightful place in Canadian society. I would add that many decisions made in previous years already went in that direction. For example, for several years, artists have been able to deduct the depreciation of their musical instruments from income tax. National service organizations in the arts sector will soon enjoy special tax status giving them the same benefits as charitable organizations.

In 1988, we revised the Copyright Act to better protect the economic and moral rights of creators.

• (1830)

In March 1990, the government of Canada established the Task Force on Professional Training for the Arts in Canada to help develop a policy in that area.

Madam Speaker, in closing, this government intends to live up to its commitment to the arts community. On October 31, 1989, the Prime Minister told this House that the government would act as swiftly as possible to allow the legitimate needs of the Canadian arts community to finally be met, and this for the first time in our history.

However, I want to point out that, had it not been for the commitment of the Siren-Gélinas Task Force, for the perseverance and untiring co-operation of the Canadian Advisory Committee on the Status of the Artist as well as for the support of the arts community, there would never have been a bill on the status of the artist.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Agreed.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Communications and Culture.

[*English*]

SUSPENSION OF SITTING

Madam Deputy Speaker: Is it the wish of the House to suspend the sitting until seven o'clock p.m., at which time we will proceed with private members' hour?

Some hon. members: Agreed.

The sitting of the House was suspended at 6.32 p.m.

SITTING RESUMED

The House resumed at 7 p.m.

[*Translation*]

Madam Deputy Speaker: It being seven o'clock, the House will now proceed, pursuant to Standing Order 30(6), to the consideration of Private Members' Business as listed on today's Order Paper.

Private Members' Business

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL RECORDS ACT

MEASURE TO AMEND

Mr. Don Blenkarn (Mississauga South) moved that Bill C-238, an act to amend the Criminal Records Act and the Criminal Code in consequence thereof, be read the second time and referred to Legislative Committee H.

He said: Madam Speaker, this is the same bill that was introduced in the last session of this Parliament as Bill C-314 and we had two days of debate on it. When I filed the bill again for this Parliament, and having had the bill drawn, the committee examining the bill wanted to know if it was an important bill. They decided in their wisdom for the second time that they believed this House ought to pass the bill.

Essentially this is a bill concerning criminal records. Before I continue with my remarks, I want to read into the House record the provisions of section 736 of the Criminal Code. The section states:

> Where an accused, other than a corporation, pleads guilty to or is found guilty of an offence other than an offence for which a minimum punishment is prescribed by law or an offence punishable in proceedings commenced against him by imprisonment for 14 years or life, the court in which he appears may, if it considers in the best interest of the accused and not contrary to public interest, instead of convicting the accused by order direct the accused be discharged absolutely or on conditions prescribed in that probation order.

Then when you go on to section 3 it says that where the court directs under subsection (1) that an offender be discharged of an offence, the offender shall be deemed not to have been convicted of the offence, except the offender may appeal from the determination of guilt as if a conviction were in respect of the offence, and (b) the attorney general and in the case of summary convictions the informant, or the informant's agent, may appeal from the decision of the court, not to convict the offender of the offence as that decision were a judgment or verdict of acquittal of the offence or a dismissal of the information against the offender and the offender may plead *a quattr' occhi* in respect of any subsequent charge relating to the offence.

The guts of the matter is very simple, you are not convicted. You may have done the act. You may have been wrong. You may have offended the principles of criminal justice but you are not convicted. The judge said that he is not going to convict you. You are absolutely discharged or if you do certain community work or whatever is in the order you are discharged if that work is done. There is no conviction.

Yet our bureaucrats in their great desire to keep records under the Criminal Records Act decide to keep records. We have to keep records on everybody and you know the cost of keeping records. Of what do they keep records? They keep records of the fact that the fellow was not convicted. Otherwise they keep records of convicts. They keep records of convictions. They keep records of sentences. They keep records of all the nasty things people do. And in this case they keep a record that he was not convicted. He was not convicted. Yet his record is kept.

What is the penalty? The penalty in most criminal convictions in my experience as a lawyer in a small town is in the long run not the fine or the jail term. It is not the conviction so much as the record because the record sticks like you-know-what to the blanket. There it is and it ain't lint.

I want to tell you that that is what the penalty is.

People not convicted suffer the same penalty as people convicted because in order to get rid of the record they have to apply to the National Parole Board to get off the hook, to get a discharge, to get a clean slate.

If you decided you were not going to convict somebody, but you decide they have committed an offence, so lots of us have committed offences. One was a member of our former cabinet but was not convicted. He was given an absolute discharge. A member of this House, very recently, was given an absolute discharge. Guess what? He has a criminal record. If he goes to a border point, maybe he has a criminal record and they will not let him in. It appears on the television screen. In the office they pump it out, they put your name in, and there is the record.

• (1910)

The judge said: "Absolutely discharged. I discharge you. There is no record". That is what the Criminal Code of Canada says—no record, no offence, no conviction. But there is a record. Oh, boy there is a record. We keep that record to make sure that this person pays and pays and pays, no matter what.

Why did I bring this bill forward? I have had case after case as a member of Parliament of young people coming to my office in Mississauga who all of a sudden have been faced, either at the U.S. border or in employment offer or elsewhere, with somebody who has drawn their criminal record. Now they got discharged. They were never convicted, but their criminal record maintained by Canada is there. By golly, even though the judge said "discharged, go home and sin no more", they are convicted as far as the criminal records department is concerned.

Forget the criminal vote. Forget Parliament. Do not worry about what Otto Lang said, what this party said or what the New Democratic Party said when this provision was made in the Criminal Code in 1972. Forget Parliament. We are bureaucrats and by golly, boy, we are going to keep those records. We are going to do it and we are going to make sure that he pays and pays and pays. That is the kind of thing we have right now in our jurisprudence. That is the kind of thing that causes me, probably once every two months as a member of Parliament, to have to do something in one way or another to help a constituent.

The other day, for example, my constituent David Clark was to attend a university course in St. Petersburg, Florida, to become a better organized person to deal with psychological assistance to alcoholics. He attended that course all last spring and went back to Florida on September 16. He was arrested at the U.S. border and handcuffed for two hours while they checked his record out. Then he was told he could no longer enter the United States of America because 10 years ago a judge in Brampton gave him an absolute discharge. He was at a party that was raided by the Peel Regional Police and was found with two joints of marijuana.

This druggie was stopped of course because he was a druggie and there was his record. Record of what? A record that he was discharged. A record that the judge said: "You are not convicted, go home and sin no more". But there was that record. By golly, we kept it. We kept it good. The record said: "You can't come in, fella. You can't take your course. You can't come back into the United States". He had been there several times, but this time they happened to bring him up on the computer.

This has got to cease. This kind of thing is not the kind of thing that a society like ours can allow to continue. It is not a big thing. It is not a massive change in law or anything like that. It is a situation where this Parliament has been snubbed, this Parliament has been put down by members of our own bureaucracy. Why? Because they love to keep records, love to tie people up. It is about time we cleaned the matter up. It is about time we changed the system.

Since I brought the matter up the Solicitor General's department has been on to it. It has done some investigations. It has found that the cost of getting a pardon through the National Parole Board involves on average 13 months in time and 91 person-years of public servants' efforts. Imagine. That is the average. That includes people who are really convicted, real criminals who want to apply for a pardon and they have got to prove that they really were not involved in nefarious activities since the date of their conviction.

It also involves people like David Clark who 10 years ago was caught at a party and had two joints of marijuana in his pocket. What a terrible sin that he should be stuck with this against him forever and ever and ever, unless we spend on average 90 hours of public servant time cleaning it up and on average 13 months of time in the National Parole Board. It is overloaded with applications because of looking after this nonsense.

The minister says he is going to do something about it. He says maybe we can look at situations where people have not offended again in a three-year period and, if they did not, for a three-year period we might automatically discharge them.

My view on this bill is that if someone has been convicted this way let the appeal periods go on because obviously the informant may want to appeal or the Crown may want to appeal the conviction and so on. There may be the problem of raising *atrophies acquit*. After two months from the date the guy went to court, automatically get rid of all the records. Get rid of them. Throw them out. Throw them away. Indeed let him be there while they are thrown out so he knows his record is not there.

After all the judge has said, like our Lord said: "Go and sin no more". Let us get rid of this piece of legislation. Let us get this matter changed. I ask the House to adopt the bill and to move it to the Standing Committee on Justice and the Solicitor General.

Mr. Derek Blackburn (Brant): Madam Speaker, I take pleasure in once again entering into this debate. I spoke on it, I believe it was December of last year, when the hon. member for Mississauga South introduced it into the House for second reading debate as Bill C-314. It has now come back as Bill C-238.

By way of introduction, though, I wish to make the point that a year ago it was not the opposition that held up the bill or talked it out. It was his own party, and I believe it was the parliamentary secretary to the then Solicitor General.

• (1920)

I stand corrected by the minister's parliamentary secretary, but it was one of them at least who came in to the House and simply talked the bill out.

Obviously at that time, and that was less than a year ago, the government did not see fit to adopt this bill. I hope that in the interim it had second thoughts, will adopt this bill and pass it into law after it goes to committee.

I have no objection whatever, Madam Speaker, in allowing this bill to pass second reading tonight without a vote. I assume it would be unanimous and then it would go to a legislative committee.

Before I do, though, and I will be very, very brief, I think the member for Mississauga South touched a very raw nerve when he talked about records and bureaucrats keeping records. I simply want to expand upon that for a moment or two.

Recorditis is a disease. It is a disease of virtually every police force and law enforcement agency in the world. When the RCMP turned over its records from its counter-intelligence and security department to CSIS, there were no fewer than 500,000 records that CSIS had to go through. Finally, I believe CSIS has been able to do away with about 95 per cent of those records.

Obviously, they were not important in terms of national security. That is a very major field in this country. I dare say if you go to any police department in Canada, the United States, the Soviet Union, the KGB, in England MI-5 and MI-6, in France and Germany you will find the same thing. Police officers and their agents suffer from recorditis. They cannot find security of a personal nature in their work unless they have literally tons of records on people, whether they are guilty or innocent, whether they have gone through a trial and been convicted or whether they were given in this case an absolute discharge or conditional discharge. I see absolutely no reason why anybody in a free society such as ours, a liberal democracy where the rule of law is the basis of our justice system, who has been given an absolute discharge or conditional discharge should have any record at all from that moment on. I see absolutely no reason for that.

And yet, as the member very eloquently stated a few moments ago, we have this situation in this country where law enforcement agencies, courts and so on, have to keep records.

The hon. member made reference to, I believe, somebody in his constituency who attempted to get into the United States. Well, the member knows that once the Canadian authorities hand over any information to the U.S. immigration department or the border patrol or whatever it is called, then of course it is up to the United States authorities as to whether or not they want to put it in their computers or more importantly, keep it there.

Unfortunately, we cannot do anything about that. I am very fearful that even if this bill becomes law, everything that is in their computers as of the day this becomes law will remain in their computers. There is untold damage that has already been done and I am afraid that would be perpetuated year after year, generation after generation, as the names remain in their computers.

I agree with this bill, particularly clause 4 which provides for the destruction of a criminal record where that record relates to an offence for which a person has received an absolute or conditional discharge under the Criminal Code and sets out when such destruction is to occur. It also gives a person the right to view the destruction of that record.

I think that is key, because there will always be a lingering doubt because of past experience, that somewhere there is a copy in some computer bank that will remain forever and ever. The person should be present when the record is destroyed so that that person is satisfied that he or she no longer has a record.

Madam Speaker, that is all I have to say. I give concurrence that this bill should go to committee and be studied further. I hope the government will see fit to pass this into law.

Mr. Tom Wappel (Scarborough West): Madam Speaker, I had not intended to speak on this bill but I was in the House and listened very carefully to the proposer of this bill and also to my colleague from the NDP.

I want to make a few comments and perhaps play the devil's advocate. May I say that I have no problem with the bill proceeding to committee for further discussion. In playing the devil's advocate, I would like to ask a question and examine the situation.

In Canadian criminal law, only three things can happen. Either a person is acquitted, in which case it is found that the person did not commit the crime, or the person is found guilty of the crime but is given a conditional or absolute discharge. Third, a person is found guilty and convicted.

What sort of criteria do judges use when they start the determination after a finding of guilt whether or not to register a conviction or give an absolute or conditional discharge. Of course, that is what happens.

The first thing the trier of fact has to decide is, is there guilt. Once the judge decides yes, there is guilt then the next question becomes: Should we give an absolute or conditional discharge or should we register a conviction?

Let us not forget that there is a finding of guilt. We are not talking about an innocent person. We are talking about someone who has been found guilty of committing the Criminal Code offence for which they have been charged.

Having said that, what sort of considerations are taken into account? Among them is the severity of the offence and whether or not that person has been in trouble with the law before. That is a very important consideration.

We have all heard the old adage: you are entitled to one mistake. You can learn from your mistakes. Why destroy a person's life with one mistake. I agree with that. It makes eminent sense to me, and that is one of the things that the judge will look at.

If it is two joints of marijuana and the person is 19 years old, is that the kind of offence we want to have a conviction registered for so that that person stands convicted? Of course not. In that circumstance, we give an absolute or conditional discharge. That makes sense. It is fair and it is humane.

Now we come to: What do we do with that information? We have this bill and the bill provides in the explanatory notes that the purpose of this act is to provide that where a person is discharged under the Criminal Code in respect of an offence, all records relating to that offence must be destroyed.

What comes to my mind is the following. One of the criteria that is used by a judge in determining whether an absolute or conditional discharge should be granted is whether there have been previous brushes with the law, previous findings of guilt. While that person might very well be given an absolute discharge the first time he is caught with two joints of marijuana, that same judge might decide to give a conditional discharge if it is the second time he has been found guilty of possession of two joints of marijuana.

Suppose he is arrested and found guilty a third time of possession of four joints of marijuana or half a kilo of marijuana. Maybe it will be a conditional discharge, but just perhaps it might be a conviction. What is my point?

My point is and I ask the question—there might be an answer, and I hope there is and I certainly hope that the committee considers it—if all the records are destroyed, how does anyone know who is considering whether to give an absolute or conditional discharge whether that particular person, having been found guilty of that offence, has been found guilty of a previous offence, perhaps a similar offence, which may be relevant in the judge deciding whether or not to grant an absolute or conditional charge, or indeed, register a conviction? If all record of that conditional discharge has been destroyed, I presume there is no way the judge could ever know that this offence occurred or how many times before a conditional or absolute discharge has been given for similar offences. This, from a devil's advocate point of view, troubles me.

• (1930)

If there is an explanation for it we will hear about it in committee. If there is no explanation for it we should think about it because it is relevant, the person is not innocent. They have been found guilty but are judged not to merit the registration of a conviction against them.

In that circumstance we are not talking about an innocent person. We are not talking about someone who has been acquitted. There might be an instance where it would become relevant on a subsequent charge of which the person has been found guilty when the trier of fact and the imposer of the sentence are trying to decide whether the second time they have been found guilty it is appropriate to give an absolute or conditional discharge, whether there should be a conviction registered. It might be important for that judge to know that this person had received an absolute discharge at some point in time for the same offence and obviously did not learn his or her lesson and has now been found guilty a second time.

If that concern is not dealt with in this private member's bill might I just mention that perhaps there should be some consideration of that. Perhaps the record should be sealed as opposed to being absolutely destroyed, banned forever from use except upon a finding of guilt again another time.

It might be relevant to the judge who decides whether there should be another absolute discharge or a conditional discharge or a conviction. It might very well be relevant to the protection of the public whether that person had been given an absolute or conditional discharge.

I merely bring that to the mover's attention. There may be an explanation, I hope there is, but if there is not I hope it is considered in committee. I certainly think the intent is worthy of being moved along.

Mr. Arnold Malone (Crowfoot): Madam Speaker, the hon. member for Mississauga South has brought before us a piece of legislation that is thoughtful, well researched and worked over. I think it would appeal to members of all parties to recognize that there is an obvious wrong done when a person has to bear the burden of a record throughout a lifetime and there was no further misdemeanour or offence by that individual.

That position was presented and received the agreement of the hon. member for Brant. We were then challenged by the hon. member for Scarborough West who brought before us the reflection that there may indeed be some reason to give some more thoughtful consideration to this matter because the judges themselves may very well be opting for a lighter sentence, or no sentence at all, on the basis that they believe a first offence did not warrant the criminal charge. His point was that the record should be there if there were subsequent offences so that it could be then considered in any subsequent offence.

Clearly the concern for members of the House is the criteria that trigger the dismissal of all records, or the timeframe or the combination of those two matters.

As I am persuaded by the member for Mississauga South and the member for Brant on the one hand and also that there is some logic in the caution expressed by the hon. member for Scarborough West, I move:

> That the hon. member for Mississauga South withdraw his bill and that the subject matter be referred to the Standing Committee on Justice and the Solicitor General for study and a recommendation to Parliament.

Madam Deputy Speaker: The hon. member for Crowfoot has moved a motion. The House has heard the motion and we have the assent of the hon. member for Mississauga South. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, order discharged and bill withdrawn.

[*Translation*]

Madam Deputy Speaker: It being 7.35 p.m., this House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 7.35 p.m.

HOUSE OF COMMONS

Thursday, October 10, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ACCESS TO INFORMATION PRIVACY ACT

ANNUAL REPORT 1989-90

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 32(2) of the House of Commons, I am pleased to table, in both official languages, the annual report, 1989-90, under the Access to Information Privacy Act.

* * *

SCRUTINY OF REGULATIONS

SECOND REPORT OF STANDING JOINT COMMITTEE

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I have the honour to table the second report of the Standing Joint Committee on the Scrutiny of Regulations.

In accordance with Standing Order 123, it is my duty to inform the House that this report contains a resolution to revoke the agricultural exhibition loans order, Consolidated Regulations of Canada, 1978, chapter 318.

Pursuant to Standing Order 123(1), a copy of the order is attached as appendix A to this second report.

This report constitutes a portion of the disallowance procedure set out in Standing Order 123.

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

Mr. Danis: Mr. Speaker, I would like to ask for unanimous consent to waive notice and introduce legislation which would deal with return to work of the grain handlers in Thunder bay.

I wonder if there would be unanimous consent on the part of my colleagues to allow me to waive notice and introduce the bill?

Mr. Murphy: Mr. Speaker, we are willing to waive notice to have the bill printed and circulated at this time. It is also our intention to allow the debate to commence later today if the government should so choose, but until we see the legislation and how the minister reacts to certain amendments and suggestions we cannot make any guarantees as to when the debate would finish.

Mr. Speaker: I wonder if I could assist the House. The hon. minister has moved for consent to introduce the bill. I take it that consent is given. However we need a royal recommendation which is not yet with us.

Under the circumstances I would ask that we stand this down until the royal recommendation arrives and then proceed.

Is there agreement on that?

Some hon. members: Agreed.

Mr. Speaker: Agreed and so ordered.

* * *

THE CONSTITUTION

TELEVISING OF PROCEEDINGS OF SPECIAL JOINT COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, you will know that yesterday I tried to move a motion relating to the televising of the Special Joint Committee on the Constitution and was not given unanimous consent at that time. It is my understanding that I will have that consent now.

Therefore I would like to move the following motion:

That, notwithstanding the report of the Standing Committee on Elections, Privileges, Procedures and Private Members' Business concurred in by the House on October 20, 1989, the following will be the order of priority for access to the parliamentary channel during the mandate of the special joint committee on the Government of Canada's proposals for a renewed Canada.

(1) House of Commons proceedings live;

(2) Replay of Statements under Standing Order 31 and of Question Period;

(3) Proceedings of the special joint committee live where that is technically feasible;

(4) Replay of proceedings of the special joint committee;

(5) Replay of House proceedings or portion thereof beginning with Question Period;

(6) Weekend replay of the previous week's proceedings of the special joint committee.

Madam Deputy Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I rise on a point of order. I think the parliamentary secretary in his point about replay of the proceedings meant to replay those parts that had not been played live. Is that correct? I wonder if he could confirm that.

My understanding is that the House will be played live. Question Period and Statements under Standing Order 31 will be replayed. Then any live proceedings of the committee then taking place will be played. Then any committee proceedings taped during the House proceedings, for example, or at other times that have not been played would be played and then the replay of the House would follow as number five.

I wonder if he could confirm that that is the understanding. I do not think it is the intention to replay the special committee's proceedings immediately and not replay the House. Is that the understanding?

• (1020)

Mr. Cooper: Madam Speaker, I am sorry. I passed my copy of the motion in so I do not have it in front of me.

Clearly I want to make two comments. First of all, this is the House order that we had agreed to among House leaders the other day. As I recall it, it uses the words: "House of Commons proceedings live". In fact it does cover off the concerns of the hon. member. We agree with the assertion.

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

Some hon. members: Agreed.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I have the honour to table a petition from residents of Amos, Authier, Berry, Saint-Félix, Saint-Mathieu, Guyenne and Manneville, in the Abitibi area, who respectfully submit to Parliament that the regulations on compensation for pregnant women fail to consider all criteria for working conditions under the Canada Labour Code. They ask that preventive withdrawal for pregnant women be made a desirable and necessary option for women at work.

Wherefor your petitioners humbly pray and call upon Parliament to give serious consideration to the deficiencies of the Canada Labour Code during the upcoming review process and recognize the need for including clauses on the preventive withdrawal of pregnant women, with pay.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Are all questions allowed to stand?

Some hon. members: Agreed.

* * *

BUSINESS OF THE HOUSE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I rise on a point of order. As you have detected here, we are endeavouring to work out the day's agenda on the fly, so to speak, in the sense of having to deal with the question of the stoppage in grain movements at the port of Thunder Bay in an appropriate manner.

This day had been designated an Opposition Day and should that occur we would not be able to get to this legislation tomorrow. I do not know when the Senate would be able to handle it, and that could make several unnecessary days of delay in the restarting of grain movements, to nobody's advantage.

What I would like to propose is an extraordinary measure in a sense, that the House in essence start the second reading debate in the expectation of receiving the royal recommendation which I understand may be right there so we could complete first reading introduction that was called for.

The second reading can start with agreement that it shall not go past one o'clock. We would use that period to see if we could reach some accommodation in treating the bill for the rest of the day. I know there is a desire for Committee of the Whole discussion.

If no agreement is reached, we could go to Government Orders on the return of the House after Question Period with the understanding that the Opposition Day would be postponed until tomorrow.

The fact that that is a Friday rather than a Thursday would be acknowledged by allowing the Liberal Party the first right of refusal, so to speak, of the next Opposition Day to make up for any perceived loss of position in that regard.

That is rather complex, but I think it reflects what I thought I heard the member for Churchill say earlier, that he was ready to start the debate on it but did not want at this point in time to give a commitment as to when it would be completed in all stages until they have an opportunity to discuss some elements of it.

The Liberal Party has acknowledged that it also has some questions on a specific that it would like to talk to the Minister of Labour about. If that were the agreement then perhaps we could proceed on that basis.

Mr. Rod Murphy (Churchill): Madam Speaker there is a bit of confusion. I said that we were quite willing to start the debate. Of course, when I made that offer I assumed that the government had royal proclamation and was able to give us an actual copy of the bill. It is sometimes very difficult to debate a bill that you do not really have in front of you. However, I am willing to start the debate with a final copy of the bill given to each of the members in the House, with or without the royal proclamation. What I have right now is just a draft and I have no idea if it is the exact wording that we will be receiving later. It is very difficult to debate that.

We are willing to start the debate. We are not at this point willing to say when second reading will end, but we are willing to start the debate whenever we can have a copy of the bill.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I have a question for the Chair. Is it my understanding that you do now have the royal proclamation?

Madam Deputy Speaker: Yes, we do now have the royal recommendation. Would the House agree that we do first reading now?

Some hon. members: Agreed.

Madam Deputy Speaker: By unanimous consent?

Some hon. members: Agreed.

* * *

THUNDER BAY GRAIN HANDLING OPERATIONS ACT

MEASURE TO ENACT

Hon. Marcel Danis (Minister of Labour) moved for leave to introduce Bill C–37, an act to provide for the resumption and continuance of grain handling operations at Thunder Bay, Ontario.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Danis moves that the bill be now read the first time and printed. Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Madam Deputy Speaker: When shall the bill be read a second time?

An hon. member: Later this day.

Madam Deputy Speaker: By unanimous consent later this day.

Mr. Andre: I am suggesting that we commence debate which has been agreed to and that at one o'clock, if we do not have a House order in place, we will return to Government Orders when the House resumes after Question Period. This is not to suggest that second reading would necessarily be over at that time but merely to give us that period of time rather than an unlimited period of time in which to work out the modalities for treating the bill through the rest of the day.

Point of Order

Mr. Dingwall: Madam Speaker, we agree with the suggestion of the government House leader, but I wonder if he would perhaps give us an undertaking that the Minister of Labour would forthwith meet with our critic who is available to discuss certain provisions which we allege might be in the bill. We would have to see the bill in its complete form. If he could do that forthwith—and I presume some consultations will take place with members of the New Democratic Party as well—we could get a firm indication from the government and from the House on the way in which they wish to proceed with this particular bill.

One o'clock does not seem to be an inordinate amount of time before a House order could be given, but if necessary we would be prepared to sit through the lunch hour in order to address this matter as expeditiously as possible.

Mr. Danis: Madam Speaker, I will of course meet with the opposition critics. If the hon. opposition House leader will let me do the opening speech in the debate, I will do that immediately after.

Some hon. members: Agreed.

* * *

POINT OF ORDER

COMMENTS IN CHAMBER

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise to speak on an entirely different subject on a point of order which really ought to be raised today. I want to speak to the matter of how the House deals with the question of language which has been found offensive enough to be withdrawn by hon. members.

I know that you, Mr. Speaker, are very concerned about what happened in the House yesterday. I am not here standing on my feet today to reflect on the way in which you dealt with that or any previous incident, but simply to speak to the matter of how the House in general and how the House's tradition deals with these matters and how we might deal with them in the future.

• (1030)

It is a fact, Mr. Speaker, as you so rightly pointed out yesterday that a tradition exists in this House. When a member withdraws a particular comment and apologizes, that has traditionally been the end of the matter. I understand that tradition and I think it is a good one.

You can look at the literature with respect to these kind of incidents. For instance, Beauchesne's fifth edition, citation 325 states:

> When the Speaker takes notice of any expression as personal and disorderly,—

He then goes on to talk about retracting the offensive expression and apologizing to the House et cetera for the breach of order. The point I want to make here is that this tradition has developed in and around what have been regarded as personal remarks, those which are offensive to the individual person.

We do not really have a tradition of dealing with remarks which are offensive to an entire group of people. The problem has arisen in the last little while of language which is thought to be insulting not just to the particular member. Therefore it has traditionally been satisfactory for the person to get up and withdraw that personal insult. If the member to whom the insult has been made is satisfied, that has been the end of the matter and rightly so I say, as you pointed out yesterday.

The fact is that an entirely new concern is developing now and that is how do we deal with language which is offensive to an entire group of people.

An incident arose a couple of weeks ago in which sexist language was used and was found to be offensive to all the women in the House of Commons and Canada. Language was used in the incident yesterday which is found offensive by an entire group of people in Canada, in this case the black community.

How do we deal with that? It seems to me that that is the question which the House at some point has to address itself to and that is why I raise this point of order. It may be that there are other things that have to be done. The government itself has to be accountable for the behaviour of its members. That is another matter. That is for a political debate between the government and its critics. I am not here to raise that particular point.

I am here to talk though about how the House deals with it. The House has this tradition which you pointed out yesterday, but what I am submitting is that that tradition has developed around the question of personal insults and is not adequate to the problem of dealing with what are seen to be words that offend an entire group of people.

I might also say, Mr. Speaker, that in the same vein, although I think you were well within the tradition to deal with it the way that you did, that there are other motions which have existed over time in which unparliamentary words, as a result of motions, for instance, have had to have been recorded by the Clerk. The words which were used had to have taken place on the floor of the House, which is not what happened yesterday.

I would also ask you to consider that element of the existing tradition by which there have been instances where the offensive words have been put on the record, so to speak, particularly of course when they happen off the record, but members hear them as many members did yesterday. The words were withdrawn, but at no time was there a public acknowledgement of exactly what had been said. We are left to an ongoing debate about whether *x* was said or *y* was said.

We do know that there was an apology made and presumably people who apologize know what they are apologizing for and the House ought to be able to deal with that directly.

There is also the tradition, and again I refer to Beauchesne, that the member himself who has been offended has to be satisfied with the result of the exchange, in this case the withdrawal or apology. I contend that in the instance where the language is not the kind of personal language that the tradition has traditionally addressed itself to, there needs to be more happen than simply the withdrawal of a personal insult.

There should be an acknowledgement on the part of the member and/or someone speaking for the member's party that this not only reflects on the member who made this remark, but it reflects on the entire House of Commons, the government and the political process. It is simply not enough to get up and say you are sorry after all these things.

As anyone knows, particularly those who are parents, you only get away with saying you are sorry just so often. At some point the behaviour has to change. It seems to me that is what this House has to address. I know there has been an informal committee struck already to deal with the question of sexist language. Mr. Speaker, you might want to consider ways in which that committee might be explicitly instructed to deal also with the question of racist language and other forms of language which offend groups, rather than just people.

That might be one way in which we could deal with it but in the final analysis, it is not just a question for the House. It is also a question for the government and I realize that is not a point I can pursue on a point of order, and I will not. However, it may be pursued by others in another context.

I would ask that all these things be taken into consideration by the Chair and that you might report to us at some point as to how you propose to deal with what I think is really a new development. We are not just talking about personal insults here, we are talking about a dimension of offensive language which goes far beyond what the tradition has been developed to deal with.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, this perhaps gives me an opportunity to indicate some action that I have been talking about for well over a year. The whole question of the decorum of this institution has been the subject of much debate around the country. The Spicer commission indicated that people were disgusted with the behaviour of this institution, the barracking, the name calling, the yelling.

An hon. member: Oh, oh.

Mr. Andre: You have not seen the tape. Ask your colleague there. He has seen the tape. Maybe he will stop that accusation. Your colleague from Kingston knows it is a false accusation. It is precisely this kind of barracking that is at the root of the problem here. This kind of false accusation, false demeaning and the attempt to slander. I would ask the hon. member to check the tape which his colleague, the hon. member for Kingston has seen, and stop making that accusation.

Point of Order

Mr. Speaker: Given the seriousness of this question, I wonder if all hon. members could exercise some considerable restraint and allow each other to address the Chair.

The hon. member for Winnipeg Transcona has raised a matter which I think the House knows is serious. The hon. government House leader has referred to the fact that across the country there is an unprecedented mood, at least in current times, of antagonism toward not just those of us who happen to be elected but to the whole political process. Some of that is manifested by complaints as to what happens in this place.

We have had several incidents recently which I think have given concern to reasonable and decent people in this place, which means the majority of us. The hon. member for Winnipeg Transcona is raising as a point of order whether or not we are adequately dealing with some of the things that have happened. What he is asking the Chair to do is to consider these matters and perhaps find a way to report back to the House so that we can reach the objectives which most of us wish to not only meet, but to maintain. We must also keep in mind our obligation to this institution, the history of the place, our country and the public.

• (1040)

In reply to the hon. member for Winnipeg Transcona, the government House leader is rising. He started off by talking about concerns which he has already mentioned in the past about decorum in general in this place.

I certainly think it appropriate, given the circumstances, that I should hear him.

Mr. Andre: Mr. Speaker, as you summarized, the question of decorum, the behaviour in this House, has been the subject of much public discussion and much public disgust, frankly, as it sees the manner in which we operate.

Too often, if we do not like the answer, the statement or the debate from the person opposite, we shout, we yell, we try to shout them down and we try to throw them off track. It is almost like we do not want to hear what they have to say.

Yet, the public who is watching expects us to debate in seriousness the major issues that are facing the country. We are not to howl down each other. We are not to use epithets and so on.

There is a question of epithets being particularly harmful and hurtful to the individuals concerned. There is no question about that. Epithets of any sort should not be used in this House. Some do hurt personally to a greater degree than others, and sometimes our mouths get in motion before our brains are in gear. Things might happen.

The hon. member over there is interrupting me again. He will not listen to what I have to say. He has to interrupt. He is a member of the New Democratic Party.

This debate has been going on and on. We have had discussions about it. We keep interrupting each other when we talk about it.

There is the member for Victoria again, interrupting me.

As a result of this reputation and the demeanour which has come into disrepute, I have raised the matter on many, many occasions with House leaders opposite in this House.

We struck a management committee in the last reforms. We have asked it to deal with a lot of aspects of how we perform in here and to come forward with recommendations.

Frankly, this is an opportune time for me to commit now to this House, and I will of course discuss it with opposition House leaders first, that after the break when we come down, I will put a motion before the House which will define clearly what is inappropriate behaviour in this House and empower the Chair to enforce that code of conduct in a direct way.

I will commit now that we will make it a free vote. If it is a government motion, we will make it a free vote. I will commit now to have that motion on the floor of the House, let it be voted on and then the Speaker will have been empowered by this House to deal appropriately with any in this House who feel that epithets, barracking, yelling, interruption or any of those behavioural things which the public finds offensive can be dealt with.

I will make that commitment now since for a year now we have been talking about it. Nothing happened. Perhaps it is time to bring it to a head, and when the break is over a motion will be brought forward to that effect.

People can debate it. We will vote on it and see if we can live by our own record of decision.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my colleague from Winnipeg Transcona has made a valuable intervention. I would hope that the Chair would want to act upon that intervention as quickly as possible.

The government House leader has made reference to a motion which would be brought in, but in point of fact, Mr. Speaker, you already have the authority under the provisions of the Standing Order to act where you believe that the behaviour of members of Parliament on any side of this House is out of order. I would be happy to discuss with House leaders at any time, as would I am sure my colleague to the left, the substance of that particular motion and ways in which it might assist you in terms of how you exercise your responsibility as the arbitrator of this great Chamber.

Perhaps we could move on, Mr. Speaker, with a matter which we were told last night was of great urgency, namely the grain handlers dispute and perhaps hear from the Minister of Labour.

Mr. Speaker: The hon. member for Broadview—Greenwood. On the same point?

Mr. Dennis Mills (Broadview—Greenwood): Yes, Mr. Speaker, on the same point.

I listened with care to the words of the government House Leader and I agree with most of what he put forward, but I think that so often Canadians at large do not really see what goes on in this House and they do not understand that quite often there is a provocation that exists from the government side toward the opposition in terms of its approach to questions we ask. Quite often, at the same time, when we are giving answers there is also barracking and heckling on the government side.

In the member's approach this morning, he seemed to indicate that his own House was in order. I would suggest that sure, it is okay for us to maybe put some discipline into our side of the House, but he should not think that his organization could not stand some review itself.

Point of Order

Mr. Speaker: Just before I hear the hon. member for Winnipeg Transcona, who has raised this matter, I think, in a very carefully structured way and within the rules, I will just respond momentarily to the hon. member for Broadview—Greenwood.

Let me make it very clear to the hon. member and to all hon. members that having been here for many years, there is no particular monopoly of virtue on either side in this assembly when it comes to anything from heckling to something worse. But that is not the point. The point is that when decorum degenerates, it leads to further and further excess and it may very well be that both sexist remarks and racist remarks are a direct result of the state of decorum in general. It is very difficult to disengage completely the one kind of excess from the other.

The hon. member has talked about provocation. I do not think we need to have a House committee to remind ourselves that there often is provocation in this place and it comes on both sides. There has to be, of course, some common sense to our approach because this place has never been a tea party and strong-minded men and women who believe passionately in things are going to express that passion and conviction from time to time. But certainly I am prepared to try and assist along the lines expressed by the hon. member for Winnipeg Transcona, the government House leader and the hon. member for Cape Breton—East Richmond.

I will hear the hon. member for Winnipeg Transcona. Perhaps he can be of further help to the Chair.

Mr. Blaikie: Mr. Speaker, I do not want to delay things any more than I have to, but I do want to say that there is a distinction to be made between concerns that have been expressed for a long time and, most recently, in the Spicer commission, but by many other people about general matters of decorum in the House of Commons and what happened yesterday and a couple of weeks ago. There is a qualitative distinction to be made and I am not sure whether the government House leader simply did not understand my point of order or whether there is an attempt to bury a much more serious matter of how we deal with sexist and racist language in the question of the general decorum of the House.

• (1050)

You cannot reduce this to a silent Chamber. There are going to be political exchanges. There is going to be the kind of vigorous back and forth both on and off the record stuff that the House of Commons has always been and, I think, always will be. This is not a corporate board meeting where everybody agrees about what the bottom line is. This is a place where we exchange values and ideas, where we fight for things in which we believe. But we do that within certain parameters and we do that within certain rules and lately we have done it in a way that the Canadian public has found offensive.

That is one issue.

I have been here twelve and a half years and it is only in the last three or four weeks that we have had to deal with the problem that I am raising now and asking the Speaker to deal with. That is the question of open sexist and racist language. That is different from what the government House leader was talking about. That is what I ask you to address.

We are addressing the other question in the subcommittee on parliamentary reform dealing with Question Period and other things and we need to deal with that. But let us not confuse it in such a way as to bury the significance of what has happened in the last few weeks.

Mr. Speaker: I thank the hon. member for Winnipeg Transcona. I understand perfectly well the distinction that the hon. member is raising and I am very sensitive to it.

At the same time I do ask hon. members and the public which is listening to keep in mind that the general decorum is also of importance because when that is reduced too far beyond what is acceptable, it leads to other things.

The other thing, and I repeat what I said to my hon. friend from Broadview—Greenwood and other members, is that this is a tough place. It always has been. That is not an excuse for excess, but it is and it must be remembered that the most precious things and the most vital issues that this country faces are debated here and there will be at times expressions of great commitment, conviction and passion.

I am sure that people will understand that in a free country, provided that those expressions are done in such a way that they do not wound others or bring into indignity the institution itself, that is probably something we have always had and probably something that will continue.

The other thing I want to say to hon. members is this. What we are discussing are a couple of incidents that only took a few seconds in this Chamber out of the many hours in which debate takes place. It is no secret that most of the time in this place there is not only excellent decorum but the place is relatively calm and there is debate which is seriously proceeding.

I think on behalf of all members of the House I have to make this statement. Maybe it is a misconception to say that this place is always in excess or even in an uproar because that is not so. There is also no doubt in my mind that the public is asking us to improve.

I might just say to hon. members, remember many years ago when in order to express our approval of some brilliant move on the part of one of our colleagues or some brilliant criticism we pounded the desks. You will remember that it was shortly after television came into the House that we began, all of us, to receive letters and telephone calls saying that we should stop it.

What stopped it is that one party stopped it and substituted it with applause and within a few days it had ceased. It does not take place any more. That is an example of the House responding to public opinion.

I will not go on any longer because I can see some members are tempted to pound their desks in approval of what I have just said. That would sort of defeat the example.

I will do the very best I can, in response to the hon. member for Winnipeg Transcona. I understand exactly what he is saying. I am conscious that it is a serious matter and I shall try to assist the House.

GOVERNMENT ORDERS

[*English*]

THUNDER BAY GRAIN HANDLING OPERATIONS ACT

MEASURE TO ENACT

Hon. Marcel Danis (Minister of Labour) moved that Bill C–37, an act to provide for the resumption and continuance of grain handling operations at Thunder Bay, Ontario be read the second time, and by unanimous consent, referred to Committee of the Whole.

He said: Madam Speaker, I think that most hon. members do share my feelings that collective bargaining, for the most part, serves the public interest in this country and serves it well. The federal industrial relations system embodied in Part I of the Canada Labour Code has proven to be an effective vehicle for the resolution of labour disputes over the years. The vast majority of negotiations have been resolved without resort to strike or lock–out activity. However, it is equally part of the collective bargaining process to include strike or lock–out action.

Such is the case, Madam Speaker, in the current dispute involving the Lakehead Terminal Elevators Association, representing Cargill Limited, Manitoba Pool Elevators, Parrish and Heimbecker Limited, Richardson Terminals Limited, Saskatchewan Wheat Pool and United Grain Growers Limited on the one hand and on the other hand the Transportation Communications International Union, Lodge 650, representing some 900 grain handlers in the port of Thunder Bay.

Unfortunately the parties have been unable to reach agreement on certain issues in their attempt to renew the collective agreements covering employees of the six grain companies having terminal elevator operations in the port.

[*Translation*]

I should point out, Madam Speaker, that this dispute involves parties that have demonstrated the ability to resolve their differences in the past with relatively little disruption to the Canadian economy. There have only been three strikes of Thunder Bay grain handlers in the past twenty–five years and, during that same period, eight other bargaining rounds were settled without resort to work stoppage action.

The previous contract negotiations were settled at the direct bargaining stage following the provision of conciliation officer assistance. This occasion marks the first time that legislative intervention has been required to terminate a work stoppage in the grain handling industry at Thunder Bay and bring about a resumption in the flow of export grain through the port.

[*English*]

The current dispute involves negotiations to renew the previous collective agreement between the two parties which expired on January 31, 1991. The parties did meet in direct negotiations on several occasions between January and May 1991 in an effort to arrive at a contract. Despite their efforts, the two sides were unable to reach agreement and a conciliation officer from the Federal Mediation and Conciliation Service of Labour Canada was appointed on June 17, 1991 to assist the parties in resolving their differences.

Meetings with the conciliation officer were held during the months of July and August. Even with the provision of third party assistance, the association and the union were unable to find common ground to settle the dispute.

Following the receipt of the report of the conciliation officer and a review of the status of the dispute, I decided not to appoint a conciliation commissioner or establish a conciliation board.

• (1100)

The collective bargaining process provided for under Part I of the Canada Labour Code places the onus for reaching a resolution squarely on the shoulders of the parties to the dispute.

By declining to provide further assistance to the parties at this particular stage of the negotiations, I was in fact conveying the message that the parties ought to have been able to resolve the outstanding disputes themselves in a short timeframe.

It was my view that the appointment of a conciliation commissioner would have served only to protract the process, entrench the parties in their positions and delay the ultimate conclusion of a new collective bargaining agreement.

Despite the responsibility placed on the parties, no further negotiations took place and the union commenced legal strike action on October 3, 1991. This followed a period during which grain handlers in Thunder Bay were laid off effective September 10, 1991 as a result of the strike by the Public Service Alliance of Canada. It involved federal grain inspectors and weighers in the port.

As you can see, Madam Speaker, grain handling operations at Thunder Bay have been virtually at a standstill for the better part of the last month. For a port which handles approximately 40 per cent of total Canadian grain exports, this is unacceptable for this country's farmers and for Canada's reputation as a reliable exporting nation.

As an indication of this government's concern, I spoke with the representatives of both parties last Friday urging them to return to the bargaining table and extended the offer of mediation assistance.

This past Tuesday, given the serious consequences of the work stoppage action, I instructed Warren Edmonsdon, Director General, Federal Mediation and Conciliation Service to travel to Thunder Bay and meet with the parties to assess the situation, and determine the possibilities for a settlement.

Mr. Edmonsdon met with the two sides in Thunder Bay yesterday and conveyed to them my strongest possible concerns over their failure to resolve their contract dispute. The parties were also made aware that the government was not prepared to stand by while serious damage was inflicted on our farmers and the country's economy.

While Mr. Edmonsdon has advised me that there is some room for a negotiated settlement of the dispute by the two parties, prospects of an immediate resumption of grain handling activities in the port remain remote.

If we were faced with an industrial activity that offered reasonable alternatives or in which the parties inflicted harm only on each other, the work stoppage might be allowed to continue until the parties took the action necessary to settle the dispute. This is not the nature of the grain handling industry at Thunder Bay.

The Thunder Bay terminals are the largest elevator facilities in Canada. Approximately 40 per cent of Canada's grain exports flowed through Thunder Bay in the last crop year which ended July 31, 1991. The significance of the elevators to the economy of Thunder Bay is obvious. Their importance to the ability of western Canada's grain producers to get their crops to domestic and world markets is equally self-evident.

Madam Speaker, the economic impact of the strike at the Thunder Bay terminals is clearly of great concern to the government. The intensity of the competition among grain exporting countries is well known. The threat to the viability and income of our grain farmers is well appreciated by members of the House. What is unfortunate, Madam Speaker, is that this strike occurs at a time when the Thunder Bay terminals are experiencing a rebound in the volume of grain exports after two years of low exports.

[*Translation*]

The volume of grain exports increased considerably in the last crop year and we do not want to see this improvement jeopardized further by this strike and by the preceding stoppage involving the PSAC grain inspectors and weighers.

[*English*]

I know that the Prime Minister and my colleagues, the Minister of Finance, the Minister of Agriculture and the Minister of State for Grains and Oilseeds will have more to say on an assistance plan for grain farmers. But at a time when this government is working on a significant measure of assistance for grain producers, it is unthinkable that a work stoppage in the grain handling industry could jeopardize these efforts and the welfare of the grain producing industry of western Canada.

The proposed Thunder Bay Grain Handling Operations Act provides for the immediate resumption of grain handling operations in the port of Thunder Bay. It also makes provision for the appointment of a mediator-arbitrator to deal with all matters remaining in dispute between the parties. The bill extends the term of the collective agreement to include the period beginning February 1, 1991 and ending on a date to be fixed by the mediator-arbitrator not earlier than January 31, 1993 or later than January 31, 1994.

Under the terms of the legislation, the mediator-arbitrator is given 90 days or such longer period as the minister may allow to endeavour to mediate all of the matters in dispute.

In the event that the mediator-arbitrator appointed under the legislation is unable to bring about agreement with respect to any such matters, he or she is required to render an arbitral award on the issue.

For the information of hon. members, the main issue in dispute during this round of negotiations centres on pensions. I can assure hon. members this and all other issues will be placed before the mediator-arbitrator.

Nothing in the proposed legislation restricts the right of the parties to agree to amend any provision of the agreement other than that relating to the term of the agreement.

The bill also contains enforcement provisions to ensure compliance with the legislation.

The Thunder Bay Grain Handling Operations Act, while bringing about an end to the current work stoppage, does provide the parties with an alternative to an imposed settlement. By providing for an appointment of a mediator-arbitrator, the legislation presents the two sides to the grain handling dispute with the further opportunity to avail themselves of a neutral third-party assistance in arriving at an acceptable solution to their grievances.

Equally important is the fact that although Parliament is being asked to move urgently on this legislation, the parties can still take advantage of the opportunity to settle the dispute themselves before enactment and before proclamation.

I am prepared to continue to offer our assistance to the parties, but time has now become critical. I urge the negotiators for the Lakehead Terminal Elevators Association and the Transportation Communications International Union Lodge 650, to seize this occasion and make every effort to reach an accommodation on the outstanding issues in dispute.

[*Translation*]

As I indicated earlier in my tenure as Labour minister, it is not a pleasant task for me to introduce such legislation. However, the parties to this dispute have had ample opportunity, including conciliation assistance, to resolve the issues in dispute and have failed to do so. They have imposed the consequences of their dispute on Western grain producers.

[*English*]

I am sure hon. members would agree that this government has an obligation to act in order to protect the economic interest of the agricultural sector as well as Canada's reputation as a reliable grain exporter. This legislation underscores this government's commitment to that responsibility.

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I appreciate the opportunity to make a few comments relating to this back to work legislation and what the minister has just said in his opening remarks. I also want to suggest some alternatives that could have been put forward before we had to again, as a government, get involved in labour relations.

To a certain extent, I want to say to members in this Chamber that it is becoming quite obvious to us who are involved in labour negotiations that the government has now become part of the collective bargaining process and that, in essence, is the final conclusion and that we, as members, are being asked more and more often to be the final arbiter of whether a particular dispute should be allowed to carry on or whether a particular dispute has any ability of success.

• (1110)

I want to deal first with some of the background of this particular dispute in Thunder Bay. By doing that I think it is important to rely on a couple of interesting statistics. This strike is not an unusual strike in the sense that it is the fourth such strike in the last 20 years in Thunder Bay.

There is something unique about this and that is that in the previous strikes with the grain handlers in Thunder Bay, they were all worked out before back to work legislation took place. For example in 1968 workers were out two months before a mediator was appointed and that mediator helped the process to a final conclusion and there was no back to work legislation.

In 1981 during a very difficult period in our history as a country there was a world recession, a massive recession. Workers were out for two weeks and again a mediator was appointed and there was a resolution to that dispute before back to work legislation took place.

Again in 1986 workers were out five weeks and a mediator by the name of Bill Kelly was appointed and again I want to emphasize that there was a resolution to the dispute without back to work legislation.

I want to suggest to the minister and members of this House something about the belief that this particular strike has been going on for a long time. In labour terms a week is not a long time. It is unfortunate, I want to emphasize this, that we are putting two particular groups against each other. We know that the farmers are having tremendous difficulty in the west and that there are bankruptcies every day. I also want to emphasize that we have a position in this House to maintain and that is that collective bargaining and the rights of workers also at the same time have to be maintained.

That is a very delicate situation for members of Parliament. There are competing interests as we well know in this House. We have been lobbied by our own colleagues. I suggest the minister has had the same difficulty I have had and that is members from his caucus and members from my caucus from western Canada and those who are really involved in the grain industry are suggesting that it is totally inappropriate for a particular strike like this to be going on at this time.

I want to suggest to the minister that I am very disappointed in some of the comments that have been made by him in the last few days. On the one hand he suggested in answers to me in the House of Commons that he wanted both sides to come to some sort of agreement without back to work legislation.

On the same day that the minister was saying that to me and members of the House of Commons, another minister of the government was suggesting that in essence they have already agreed in cabinet that there would be back to work legislation and they would not allow this dispute to go on any further.

I want to point out to the minister and to members of Parliament who are interested in this issue that when those kinds of statements are made when a dispute is ongoing, one has pretty well completed the process for the two bargaining parties. Simply, one cannot negotiate when one side does not believe that there is any reason to negotiate.

I talk specifically about the terminal employers, the individuals who are at this time trying their hardest to ship grain out of the Thunder Bay port. I think it is very important that the Lakehead Terminal Elevator Association be aware that we on this side of the House do not appreciate the belief that it does not have to bargain in good faith any longer because the government will bring down the axe as soon as it feels that there is any pressure or any heat from the public.

In a situation like this there is guaranteed to be heat and pressure applied by all sides because of the effects of a strike of this nature.

I want to put on the record some of the issues that are ongoing and one of the reasons why this particular negotiation has not had the ability to be rectified by both parties.

People have to be aware that the union, the transportation communication workers, have said to all those who are prepared to listen that this is not a fight between farmers and grain handlers in Thunder Bay. This is basically a negotiation for survival.

Since 1984 these particular employees have lost in this union in the city of Thunder Bay, which is something we also have to be very cognizant of, a minimum of 1,000 jobs.

Also, to follow suit, out of the 900 roughly who are still there, only 400 are considered to be full time. Full time in the harsh environment in which we live in Thunder Bay is a maximum of six months employment. You can understand when looking at it in that perspective just what that means to the members of the union, to their families and to the city of Thunder Bay.

In essence what we see is a complete dismantling of that particular port. The argument the union is making is that if there is not some sort of understanding of where we are going as a country as it relates to the handling of grain and the shipments of grain across Canada, and if we do not have some sort of plan of how we are going to deal with that, then these people cannot continue to feel that their jobs are secure and that they have an opportunity like all other Canadians of making some sort of plans in their lives. They do not know whether they will have a job tomorrow.

This is really what the negotiations are about. One is about job security, and one is about the lack of sensitivity of the terminal employers in Thunder Bay. They do not realize that the employees need to have some semblance of where they are going to go.

I want to use one example, the pension plan itself. Apparently, and this is what we are being told, the union has a pension plan to which the two parties contribute. This plan has a surplus of $7 million. In the plan the employer is asked to contribute a certain amount. What the argument is in negotiation right now is that in essence the employer has not contributed a red cent. It has refused to contribute.

To make matters worse, because of technological change, because of pools being put together in an amalgamation process, there is going to be some job loss and we very much in this place understand that.

What the union has asked the company for is the ability to remove the employees in a more humane way through attrition. Instead, what it has decided to do is remove the employees at the top end of the pension scale, meaning those employees who have up to 14 years of seniority. Just this spring 27 of those employees lost their jobs, the reason being very simple. It is cheaper for those particular companies to hire young individuals who are not going to cost them any pension benefits down the road.

Because of that scenario and the lack of ability of the workers to get the companies to discuss pensions at the negotiating table, the negotiations broke down.

I want to suggest to the government that it did not do a very good job as a third party, a helping hand type of philosophy that the Department of Labour has in past disagreements been used for. It took one of its top officials in the ministry of labour and sent him to Thunder Bay on Tuesday night with a last ditch attempt to make it look like it was interested in a negotiated settlement.

You cannot sit with a particular group in a span of a few hours and at the same time get statements over the wire as were made by the minister of grains and oilseeds and expect anything to come of it.

• (1120)

In essence the government on the one hand wants Canadians to pretend that it was quite prepared to let both parties come to an agreement as quickly as they could without interference, but at the same time had already made its decision that it was going to legislate these two groups back to work as of Friday, which is tomorrow.

I want everyone to know in this place that under those circumstances, we will never get a negotiated settlement in this country when there is a strike on if that is the kind of attitude this government is going to take.

For that reason I would like to talk about a particular amendment I am going to be putting to the House today. That amendment simply has to do with who will be helping the two parties make a decision in this particular dispute.

Under clause 8 of the particular bill we are debating here today, the mediator-arbitrator is going to be appointed by the government. I have suggested to the minister and now I am suggesting to all Canadians that because of the difficulties of this particular situation and the quickness of the government's reaction to the pressure of the farmers, and I can understand the tremendous amount of pressure it felt because I know colleagues of mine on this side of the House have felt the same pressure, there was not the opportunity for the mediator who was to be appointed under the understanding that I had from the minister, as of today for example, to discuss this issue further with the groups.

That mediation never took place. A mediator was never formally appointed to sit down with both sides. He was there simply to feel out both parties to see if there was room for a settlement.

The minister has stated in the House today that there is room for settlement, there is some room for manoeuvrability. Because of that, if we were not so quick to act, I am quite convinced that there could have been a settlement to this disagreement.

For that reason I would like to ask the members to consider in this place that we appoint an arbitration panel, a panel with expertise from the company and expertise from the union, because the particular issues that are being dealt with are very technical. Due to the fact that there was not a lot of discussion beforehand by the mediator, what took place was a lack of consultation and a lack of homework by both sides.

I think it would be very appropriate to give the minister time to look at the idea of a panel in order for us to look at the technical aspects of the disagreement. I am suggesting that the union be allowed to appoint someone to this panel and the company be allowed to appoint someone to this panel and that the arbitrator appointed by the government allow the minister and the members of Parliament and the public at large to have representation and the arbitrator appointed by the government would have the last say in this whole dispute.

We have not had an opportunity for both sides to bring their arguments forward because the company has refused to this date to discuss the issue of the pension and job security situations in the port of Thunder Bay.

I will be presenting that motion later on today. I give notice to all the members who are here to think about that because it is a little bit different than what is normally put in place. I think in this particular case the uniqueness of it will allow that sort of situation to take place.

I understand the minister is now looking at that seriously. I think his fear is that this might become unruly and in essence the government appointed arbitrator will have to make the decision anyway.

I am hoping that with both parties at the table in the sense of being a more active participant, with the technical expertise of those other two individuals, we may be able to get some sort of long-term resolution to this problem and not a short-term band-aid that a mediator-arbitrator normally puts in place. An arbitrator is normally not capable of dealing with the intricate issues of the whole industry because, to put it simply, that individual does not work in that industry on a daily basis. I look to the government to look on this particular amendment favourably because it is something that I am sure that the workers and the people of Thunder Bay would like resolved in the long term, and that is just what the Lakehead terminal employers are proposing to do with the 900 employees who are left in that particular city.

I want to suggest also to the government that we on this side are very concerned about the process of back to work legislation that is being put forward to us in this House on a fairly regular occasion. I want to make mention of three pieces of legislation that we have seen; one as late as last June and the last two, this one we are talking about today and the PSAC back to work legislation.

I first commend the minister on this piece of legislation and the one in June allowing us a mediator-arbitrator. Hopefully we will expand on that and have a panel. I must confess that I am a little bit lost to understand why they would not also allow for a mediator-arbitrator in the PSAC dispute and the back to work legislation that we saw by the President of the Treasury Board not too long ago in this place.

The inconsistency of the policy of the government as it relates to labour relations in this country and the lack of policy and direction that it is giving employers and employees alike is going to create some difficulties for us down the road if it continues.

I caution the government not to continue to put these kinds of pressures on the collective bargaining process. If it does, it will completely fall apart. I do not want to sensationalize this issue, but I want the government to realize that there will come a point in time if it continues this back to work legislation on a regular basis where employees will refuse to go back to work. Then the whole system of our laws and our institutions will fall apart. It is not that drastic a move for people not to realize that it could happen. It simply could happen if we continue not to have the sensitivity that is necessary to allow both sides who are in dispute to work out their differences without the hammer coming down.

I have discussed this issue on numerous occasions with the minister. I have discussed this with both parties on numerous occasions. I want all in this place to know that I do not for one believe that the Director General of Mediation and Conciliation or the Minister of Labour and his department have done a job which could even be considered decent in this whole issue.

We have no choice in this place as members of Parliament but to vote in favour of legislation like this because of the competing interests and the pressures that are there. We do not have to like it, even though we do vote in favour of it because we realize the sensitivity of the problems that the farmers in the west are having at this time and the difficulties of our international reputation of shippers of grain to the rest of the world.

Having said that, I would like to conclude by saying to the minister that we on this side would like to suggest to him and to the government that they reflect on what the union has asked them to do and that is to take a look at a particular appointment: "Therefore, under Canada Labour Code Part I, division 7, general promotion of industrial peace, the Transportation Communication Union, lodge 650 hereby make formal application to the minister to appoint an industrial inquiry commission to examine the following".

I want to put this on the record because this is really the issue that we are dealing with. What we are dealing with right now is the immediate crisis in the grain industry, the immediate crisis that farmers are having. In the long term we need a solution to the problems that are becoming more and more obvious to us all. What they would like the minister to look at in this industrial inquiry commission is: (a) outstanding bargaining issues currently in dispute between the Transportation Communications Union and the Lakehead Terminal Elevators; (b) upon settlement of the current labour dispute, the commission would then examine matters that will affect industrial relations, including future negotiations between the TCU Lodge and the Lakehead terminal employers. One is the effect of reduced grain handling through the port of Thunder Bay. Two is the effect of decline in grain prices for prairie commodities. Three is the effect of technological change. And four where they would like to consider the elevator's consolidation.

• (1130)

This is very important because, as I said at the very beginning of my intervention, we have lost a total of 1,000 jobs in Thunder Bay since 1984. You can understand how the people in Thunder Bay feel about this particular issue right now, not just the employees, but all the people who are associated with the city of Thunder Bay.

I think it would be very much appropriate for the minister, once we have dealt with this piece of legislation today, to take a look at this particular request by the union, which is really a request by the city of Thunder Bay, to get an understanding of where we are going in this country as it relates to grain handling. Is it going to be a fact, as a lot of people in Thunder Bay think, that most of the grain in this country is going to be shipped from the west coast? Is it true? If it is true, let us be up front about where we are going with this and say to the employees and their families in the city of Thunder Bay that in the long term, the next 10 or 15 or 20 years, this is what we envision the structure of grain shipments in this country will look like.

If we think that this particular piece of legislation by the minister and the government of the day is going to rectify the issues that are before us in the city of Thunder Bay and across Canada, we really are whistling in the dark.

I am suggesting to the minister and to the government that we have to look at both these issues. One, in the short term, is the arbitration panel that I have suggested in order to talk about some of these issues that the city of Thunder Bay and its employees and employers are talking about, and also the application for the inquiry to the minister to look at the over-all issue in general of this particular industry.

Having said all that, I would urge the government to realize, first and foremost, that this side is not very appreciative of this particular piece of legislation because it does walk all over the whole process of collective bargaining, but we, in essence, when all is said and done, will support this legislation because we believe that the crisis situation will not be helped in the short term by delaying the legislation, but in the long term, we emphasize we would like to see some process put in place that will be fair to all sides and especially to the city of Thunder Bay so that this situation will not happen as a regular occurrence.

Mr. Rod Murphy (Churchill): Madam Speaker, I, too, wish to speak on this back to work legislation. In starting out, I would like to point out to the minister that we have been co-operative to-day in that we have allowed him to waive notice and to start this debate without the usual 48 hour notice that is required under the House rules.

I want to, in retrospect, make it very clear that we are not stalling this legislation but, on the other hand, we do not believe in giving the government a blank cheque.

I was somewhat disturbed to hear that the Liberal Party will vote for this legislation and I was very disturbed to find out that one of the Winnipeg members of the Liberal caucus said that they would support the legislation even before they saw it. The one thing I have learned with this Prime Minister and this government is you never give them a blank cheque. I just do not trust the government and I think there are a number of reasons in recent history why many, many Canadians do not trust this government and would certainly not wish to give it a blank cheque.

In looking at the legislation, I too believe that for the most part it is reasonable legislation, although I have always objected to the high fines that are there and which are obviously very high on the employees and do not have the same economic impact on employers. The reality of the situation is that the employers can always afford these fines where individual Canadians cannot afford them.

The other aspect of the legislation that disturbs me is the fact that it was brought in because the director of mediation services says he cannot successfully complete his work.

Let us look at what happened yesterday. The director of mediation finally arrives in Thunder Bay. It was his first day there. He has a meeting with the union and the company. They agree to get back to the table. There is an understanding that the outstanding issue, which was pensions, would be dealt with at this meeting.

As the meeting is about to commence, there is a Canadian Press story saying that the minister of grains and oilseeds has announced that the government will be introducing back to work legislation.

At the same time that story barged its way into the mediation room, the House of Commons committee that deals with labour matters was also meeting. I got a copy of that CP story which I showed to the minister in the committee. The record will show that.

I said that the announcement would destroy the work of the director of mediation. Later that afternoon, I had a chance to talk with the union side. The first thing that was said, even before I had a chance to open my mouth was: "Did you see what Mr. Mayer said?" Their caucus was up in arms.

They said—I understand that the director of mediation echoed it—that the whole mood of the mediation changed as a result of that premature and completely unnecessary political announcement by the minister of grains and oilseeds.

I do not know whether or not mediation would have worked. I am not going to make one of these announcements that says: "If Mr. Mayer had not said what he said, then mediation would have succeeded." I do know that it failed as a result of the unnecessary and unwarranted intervention of the minister responsible for grains and oilseeds.

I have been a negotiator and I know how important it is to have a good mood in a negotiating room, to feel that you are being treated fairly so that you can work out the problems.

As I said earlier, yesterday was the first time that the employers were willing to allow the controversial issue of pensions to be dealt with. It was the first time, at the very first meeting on the issue that is preventing a settlement. Then the dagger was dropped.

The dagger was dropped by this government, not by the minister responsible for labour, the person who has been saying in this House that we have to let mediation work, that he wants the mediator to go in there to try to resolve this issue and to get both parties together. No, that power was taken from the Minister of Labour. It was usurped by the minister of grains and oilseeds, a man who is completely insensitive as to what the job of a mediator is. He was completely insensitive to how damaging his remarks would be.

His words may have played well in certain parts of the country and they may have played well in a province that is facing a provincial election on October 21, but they were unnecessary remarks. They were inappropriate remarks and they were very damaging remarks. I wish the minister of grains and oilseeds was in the House and could apologize to the people of Canada.

I come from western Canada and I do understand the plight of the farmers, especially at this time. I understand their concern for making sure that grain flows. We could understand that. We can support that but I find it ironic that this government wants this legislation passed now.

We have had the Prime Minister, the Minister of Agriculture and the Minister of State for Grains and Oilseeds and various Conservative backbenchers get up and say we must let the grain flow. Yet yesterday in the House of Commons I asked the Minister of Agriculture this: "If you want the grain to flow, why are you laying off workers in Churchill tomorrow, Friday of this week; why are you closing down the one port that has not been affected by strikes at all this year?"

• (1140)

The minister said: "Well, there are no ships in Churchill".

The minister was wrong. The minister is completely unaware of what is happening in the port of Churchill, western Canada's only prairie seaport. It is not surprising that you hear these statements from the Prime Minister, the minister for grains and oilseeds, the Minister of Agriculture and other Conservatives. They don't even know what is going on at a prairie port. They don't even know that they are closing down a port early. They don't even know that grain has been sitting in full grain cars for over 10 days, grain that should have been going to Churchill is sitting at the Hudson Bay junction, not flowing.

The Minister of Agriculture also got up and said that there is no storage at Churchill. There is lots of storage room in Churchill. Again the ministers of this Crown, who get up and pretend to be so concerned about farmers, do not even know what is happening in their own areas of responsibility.

Madam Speaker, I could go on for a long time but I think what we want to resolve in this House today is how, now that the Minister of State for Grains and Oilseeds has caused all this commotion, how we resolve this dispute—not just for today, not just for next week, but for the long term.

One of the suggestions that I had made was that of the three person panel, instead of having a mediator–arbitrator. I talked to the minister and he said this was a cumbersome approach, that it is not done federally. Well, it is done in many provinces and it works successfully. I say that not from an academic background or anything of that nature, I know it works because I have used three person arbitration boards when I was negotiating for teachers in northern Manitoba and as an employer who has negotiated on the employment side I have sat on a three person arbitration board.

From personal experience I know it works. I really would recommend that the Minister of Labour and this government consider a way of having this legislation passed fairly quickly through this House and at the same time make sure that the local concerns of the people of Thunder Bay are understood.

The minister might be able to find a mediator–arbitrator who is experienced. He might find someone who as an individual is respected by both labour and management. But that does not guarantee that the concerns of the employees in Thunder Bay, the concerns of the employers, are truly understood when the final decision is being made. That is the advantage of a three person panel; you don't have to have this arbitrator sitting by himself or herself in isolation, making his or her decision on the basis of various formal presentations that have been made. He or she would be in a room with two people who have understanding of the situation, the history in Thunder Bay, the history of the elevators, the real economic situation that faces both the employees and the employer. A three person panel allows for those concerns to be dealt with in whatever final report that comes out.

It ensures local participation. It ensures a thorough understanding of the issues and it ensures that the history of Thunder Bay where I believe somewhere in the neighbourhood of a thousand positions have disappeared over the last while, is understood and when making a decision this is dealt with.

Madam Speaker, I cannot stress how important this is. I have also been in a situation where we have had a single arbitrator. I have seen arbitrators with all their knowledge and with all their experience lack the important information to come down with a settlement that really resolves the issues that are in conflict.

As I said, we have many fine arbitrators in this country, many very skilled mediator–arbitrators but they do not necessarily have all the information at their fingertips that is necessary.

I would say that there can be an almost just end to this labour dispute in Thunder Bay. Forget about the minister for grains and oilseeds' unnecessary and unwarranted intervention; forget about the fact that various cabinet ministers have got up in this House and blamed the workers for everything, because that has happened; forget about the fact that mediation was never really given a chance to work in Thunder Bay; forget about the fact that this legislation was announced not by the Minister of Labour but by another minister who should not have been involved in the first place.

Let us look at what we can do now. Let us look for a way where this government and this House can show justice to the people of Thunder Bay. Let us ensure that we have a three person panel that can understand the issues as they apply in Thunder Bay, understand the broader issues of grain handling, the concerns of the pools, but make sure they also understand what is really happening in that community. That is one way that this government can show good faith.

I would hope that the Minister of Labour would show that good faith and make those necessary amendments when we get to committee of the whole. It is a way of resolving it. It does not require any more time. There are clauses in the legislation before us that give the mediator-arbitrator 90 days to make his or her decision. The same thing can be done with a three person panel. It is not cumbersome. Yes, it is more difficult in some ways for some individuals. However, it does ensure along with that difficulty that we actually deal with the issues that are there and it gives us a much better chance of providing a long-term solution to some of the problems that exist in Thunder Bay.

I would also like to point that this is not a union that has been on strike each and every year. This is not a union that has required back to work legislation in order to resolve its disputes. For the most part the grain handlers at Thunder Bay have negotiated with their employers and have settled the situation without the need for back to work legislation.

Now that it is before this House I think that it is imperative that the government give the tools to the employers and to the employees to ensure lasting peace at the port in Thunder Bay.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Madam Speaker, I am pleased to say a few words on this legislation, an act to provide the resumption and continuance of grain handling operations at Thunder Bay. I would like to address it from three aspects; first of all, the seaway itself from the aspect of agriculture and the farmers and third, from the aspect of all Canadians. I had a great deal of sympathy for the hon. member from Thunder Bay. I have sat on the transport committee different times when a great deal of concern was raised about the seaway and grain handling. Anyone who has sat on the transport committee knows the history of that situation.

• (1150)

I believe at one time about 75 per cent of the grain came through the Thunder Bay route and the St. Lawrence Seaway. That has changed drastically. Having been a farmer on the prairies and living to the east side of Moose Jaw, I know that the cut-off point for the transportation of grain generally speaking has been from Moose Jaw west and from Moose Jaw east through Thunder Bay.

The numbers are dramatic. Also I do not believe he drew attention to it but the price of grain at the port of Vancouver is higher than the price of grain at the port of Thunder Bay. This all comes into play.

It is very important to the St. Lawrence Seaway and to grain handling in Thunder Bay that the movement of grain is continuous and not held up. I think it is in the best interests of the workers there that the grain keeps moving and this continues because there are difficulties that surround the whole movement of grain. I indicated earlier that 75 per cent of the grain used to come out and there were return loads such as steel and other things for the boats coming in. This is very important. We understand that and I certainly heard what the member had to say. However I am pleased to hear that they are going to support this legislation because they realize the impact of the significance of this to a country.

From the aspect of agriculture, we saw in Winnipeg yesterday the very difficult situation that farmers are facing. There is no question about that. It is obvious to this House and to anybody in Canada who is watching the situation what farmers are facing.

I was at Rosetown. The presentations made by farm groups and farmers were very important and made in a direction that was non-political. Yet they said in a very direct way to the people of Canada and to the government that grain handling and the situation of farm income is so important today. No one would argue with that. We are talking about farm income figures at $6,300 a family farm, which of course is a number that comes from Agriculture Canada. Within hours I think we will hear announcements from the government addressing that situation.

The Prime Minister was in Winnipeg and had a very good meeting with the farm leaders. He indicated very clearly that there would be help coming from the government for the farmers.

However, the movement of grain in this situation is very important. It is important to the continuance of our customers. Boats come in and there are demurrage costs. The Grains Commission indicated that the cost at the strike was something like $50 million a week in demurrage and cost of grain sales. When boats are turned back or not loaded, sales are lost. They could go to Seattle and load or they could just lose confidence in the ability of the grain movement in Canada to meet the need. This is not helpful.

It is most important that we have an effective system so that we do not lose our markets, especially when we are facing the problems on the international scene.

We know what it means in terms of dollars and cents to the farmers and the farm situation.

I was speaking to representatives of some of our elevator companies in Saskatchewan last evening. They indicated that they could take grain if they could get it moving. This is most important to our farmers and to their livelihood.

The third area that I would like to speak about is the importance of this movement of grain to all Canadians. I think there is something happening in Canada that I am not entirely enthused about. In fact, I am very, very concerned about it.

There seems to be an undeclared war between urban Canada and rural Canada. This ought not to be. This ought not to be, and I want to emphasize this. Grain movement and the conditions of agriculture are important to every Canadian citizen.

One of the strengths of this country has been that we have been able to provide cheap food for Canadians. Maybe it is too cheap. Agriculture Canada tells us that probably 14 per cent of the income of Canadians buys their food. In many, many countries, it is up to 50 per cent and I am not saying that that is ideal.

What I am saying though is that as Canadian farmers, and I am one, have provided a service; the production of food for Canadians, for North Americans and even for the world if you will, at a very, very reasonable price.

It is important that we have the strength to continue to do that. I believe that we need understanding from the urban community and the rural community.

One of the advantages, if there are advantages, of carrying the message through these rallies has been that the Canadian citizen, whether rural or urban, becomes conscious of a very, very serious problem that exists.

This problem is not only at the local and rural level, it is also at the national and the international level. Our government has taken steps and the Prime Minister has given leadership, particularly at the international level.

I attended the meeting in Vancouver with the Prime Minister when he met with 50 farm groups going to Tokyo. The topic of agriculture was not on the agenda of the G–7. Thanks to the Prime Minister, and too often he has received no thanks, it was put on the agenda of the G–7 and is now running at the forefront. This is important at the international level. It is very, very important.

We are getting tired of hearing the word "GATT", but it is very, very important that we see and find some agreements in that area.

I want to point this out on grain movement. We have sold to Russia over the past 30 years about 37 per cent of the production of agricultural commodities and grains and oilseeds. It is about 37 per cent.

That country is in a position now where it has no money. One of the major problems that we face in agriculture and from the international aspect as well as the national is that many of our sales go to countries and people who cannot afford to pay, yet they need the products.

This certainly begs an international problem which needs an international solution of making food a priority. If there is one human right that any individual should have anywhere in the world, it is the right to eat. It should certainly be a priority.

We must say that that is not the priority in the way it exists today. Our government and our Prime Minister recognize that. Our Prime Minister has been giving leadership at the international level although you might say: "We have not seen much proof of it". It is on the table and it is important.

• (1200)

I think we have a window of opportunity right now, when the Prime Minister is dealing with Mr. Gorbachev and Mr. Bush and the G–7 countries saying "how are we going to come to grips with this problem." There is a window of opportunity to deal with this very serious problem, but it is going to need understanding from all of the countries of the G–7, Japan included.

I would like to get into that sometime, but it leads into another subject. When I go to my farm and I pick up bearings that I get from the John Deere Company, they will have "Japan" written on them. I go and start up my grain loader and it will have a motor that was made in Japan. I walk up the hill to the House of Commons and I count the cars coming up and I look at the makes and they are Toyota and many makes that are made in Japan, East Germany and other countries.

My own view on this is that some of these countries are going to have to start carrying some of the load of producing food and providing food to people who cannot afford to pay for it, because the farmers on the prairies or in Ontario or Quebec or wherever across this country cannot subsidize the Third World. We cannot do it. It is impossible.

We need an international approach, which the Prime Minister has been taking, which the Minister for International Trade has been taking in international trade, which our Minister of Agriculture, our minister responsible for the Canadian Wheat Board, our Minister of Finance and so on have been taking.

I would now like to move back to the national scene, the importance of grain handling and co-operation between the rural community and the urban community. We had a good example yesterday. The hon. member sitting behind me here was at that meeting when we met with the chicken producers of B.C. and the turkey producers and, I believe, a representation of the dairy producers.

The whole situation of article XI certainly comes into play here with respect to the GATT. I made the point to that delegation that the best friend it had in B.C. in dealing with this problem at the GATT was the province of Quebec. The province of Quebec in the dairy industry and in the feather industry has the same problems that it has. There is strength in unity, not in separation as some are directing. There are political movements at both ends of this country that would divide the unity of this country.

I made the point to the farmers there that it was most important if they were to have a strong feather/dairy industry in B.C. to have the support of the farmers in Quebec. I made the point by saying: "Let us say this country separated, God forbid, but in 18 months or two years from now, you could have a much bigger problem than just dealing with article XI of the GATT".

We must recognize the importance of this country working together, both ends of the country, every province, to strengthen agriculture for the benefit of all Canadians. I make the point that we need an understanding of agriculture, of rural Canada and of urban Canada. I think we all agree that at this time it is most important that the grain move down the St. Lawrence Seaway as well as to the west.

I am very, very pleased about the debate that has been introduced today. I am sure that every farmer in Saskatchewan, Manitoba, Ontario, Quebec, B.C., Alberta and right across the country are together in this thing. We are together in this as Canadians for the benefit of Canada. For the benefit of having a strong Canada we must have a strong agriculture and a strong economy.

If you want to look at the example today of what happened in Russia, its agricultural industry went down to the point where it cannot feed themselves. God forbid that that would ever happen in North America, but it is important that we not take things for granted and that food becomes a priority in the mind.

I should not get off on this subject because it is a pet theme of mine, as many of you know. Food is not a priority in the world today but it should be. It is one of the basic human rights, but I believe that there is a consciousness today across this country and a consciousness this fall that may bring about some rethinking in political circles all around the world that says every person has a right to eat, but you cannot have that food unless you have got a producer out there who can produce that food. We need to work together, rural and urban, all Canadians, to build a stronger industry, to build a stronger Canada, for truly this country has been an example of a country in which we do not know shortage.

I want to throw this in. I talked to a doctor from Austria. I asked him the question on subsidies. He said, very simply: "You North Americans"—he qualified us all as North Americans—"don't understand hunger. In my lifetime I have seen hunger three times. You do not have an appreciation for food or the priority of it that you ought to have".

I think that today Canadians need to have a new appreciation of the priorities that should be put on food, and this goes right down to the producer, to grain handling and to the urban centres. We are all together in this. I cannot emphasize enough again, as we look to this bill, the importance of doing something that will move quickly to get the grain moving.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, I want to put a few remarks on the record with respect to this legislation.

First of all, though, I would like to point out that I concur with some of the remarks made by the parliamentary secretary a few moments ago. When he talks about making food a priority I agree with him. I see food as part of our security. I think it is essential to the security of this country because if we cannot maintain a viable agricultural industry, if we cannot feed ourselves then we, as a nation, are not secure. I support the parliamentary secretary on that point.

When he talks about a better understanding or needing a better understanding between rural folk and city folk, or between the rural communities and the urban areas, again I concur in those remarks because when you come right down to it, we are all in this together. We all eat. We all need a strong agricultural community. We have to work together. There has to be a major element of co-operation.

• (1210)

When you witness the kind of development that has occurred at Thunder Bay, that is a strike of grain handlers, a strike that impedes the movement of grain, that creates difficulties, in effect it pits farmer against labour and that is unfortunate. There is no reason in the world why farmers and blue collar workers have to be at each other's throats, that they have to be adversaries. I am idealistic enough to believe that they should always be on the same side of the ledger or the same side of the equation.

There is no doubt that a strike of the kind that is currently in place at Thunder Bay creates difficulties. We have got to remove that impediment as fast as possible and as much as possible not take away the very essential rights that belong to labour in this country.

There is one other point that I want to make. It relates to something that the parliamentary secretary mentioned just a few minutes ago. He was talking about the assistance required by farmers. He was mentioning the alleged Prime Minister's leadership on this question.

We are all aware of the plight of the farmers. We are all aware that they are getting $2 or less than $2 a bushel for their wheat. That is a starvation price. They need help and they need it very quickly. I am told that just minutes ago the Minister of Agriculture did announce some kind of aid package. I am not familiar with the details but I am hoping it is the kind of aid package that farmers will appreciate.

If there is an aid package that is welcomed by farmers, is it really because of the Prime Minister's leadership or is it because of the farmers in this country taking matters into their own hands? I think it is the latter. If we do have an assistance program announced today, I think most of the credit, if not all the credit, should go to the farmers in this country. They are the ones who held the rallies. They are the ones who held rallies in Miami and Brandon, Manitoba and in Rosetown and Weyburn, Saskatchewan and the granddaddy of them all, insofar as rallies are concerned, was held in my home city of Winnipeg yesterday. It is estimated that about 7,000 farmers gathered on the grounds of the Manitoba legislative building to make their case, to tell the world about their plight, about their financial situation. If there is some assistance announced today I think the credit should go to the farmers.

The government knew about this situation months ago. In a way the government's procrastination or the government's dithering really put the farmers through a terrible wringer. They have gone through hellish moments in the last few months. This is what they have had to do. They have had to hold rallies to tell this government to act.

I think it is unfortunate that they had to do that. I do not think it is in the nature of farmers to do what they have done in the past few weeks. I know it is not in their nature. Farmers in conversation can make their points and make them very strongly. It is not in their nature and not in their history really, although it has been done on occasion in the past to gather together in huge crowds and loudly protest. That is not the way they do it.

They did it because of the situation they are in. They did it because the government was not acting. The government was not moving.

Now I hear that the government has announced something. I wish I had the details. I hope it comes some way in helping farmers through this very difficult period. But I can tell you this: All the emergency aid in the world is not the ultimate answer. I say this because we have an unbelievably vicious trade war going on out there over subsidies. Until we deal with that situation, we will not find a resolution to some of the major problems facing farmers.

With respect to the legislation, my good friend from Kenora—Rainy River has already spoken to the specific issues. He has put those issues on the record and has spoken eloquently. I think the House better understands the situation as a result of his presentation a few minutes ago.

I want to say that I find these situations difficult because I wish collective bargaining would do the job. I wish that we MPs did not have to involve ourselves the way we have. We have done this a number of times. Just recently we did it in the month of June and that had to do with the work stoppage in Vancouver.

I do not like the way the system is working. I believe in collective bargaining. We give people the right to strike, we give them certain rights and privileges. They use them for whatever reason, and then because of the impact on the farm community in this case or on the economy, we yank those rights away. We unfortunately do not have any choice in this particular case. We don't have any choice but I think the system needs improvement. I said it in June and I will say it again, we have to examine this system and see if we can come up with improvements. It creates all kinds of tensions and I don't really think that we are the experts, are we? We are not the experts. We are here to lay down policy, to enact laws, and after that it is up to the parties involved to work out what is best for them.

I really urge the government to look at this in a very, very serious way, because we need improvement.

Our labour critic, the member for Kenora—Rainy River, talked about amending the legislation. He talked about the need for an arbitration panel consisting of representatives from labour and management and a neutral third party. To me, certainly on the surface, that makes a lot of sense. If you have a three party panel, you have expertise from a labour point of view and expertise from a management point of view. Then you have a third neutral objective person who can perhaps bring it all together, and bring about a settlement satisfactory to both parties.

When the bill goes to the Committee of the Whole, I hope this is something that can be examined in detail. I think that it has a lot of merit, certainly on the surface.

My final remarks, and again it is from an agricultural perspective, have to do with the current situation on the farm. Yes, we support the legislation because there is no choice. We have got to get the grain moving. Just minutes ago a farm package was announced and there may be some help there for the farmers. But we have got to get the grain moving. It has to go through the Lakehead. It is crucial that the exports are maintained, that our sales are maintained. It is very important to farmers that when they make a commitment to a nation, a commitment of sales, that that commitment is kept. If you do not live up to contractual commitments, as my friend from London West has just said, the competitors will step in and they will keep the commitment that you made in the first place. The farmers understand that and I think we all understand that. This is why the strike has to be ended. The work has to be resumed.

• (1220)

I checked the figures just this morning, Madam Speaker, and there is something like 3,700 boxcars waiting to be unloaded. That is a lot of wheat. That is a lot of boxcars. That is a lot of work and it has to be done right away.

In conclusion, I want to say it is of paramount importance to farmers, particularly on the prairies and in western Canada, that work resume at Thunder Bay. The grain must move.

It is unfortunate again that we find ourselves in a situation where farmers are pitted against organized labour but in this case economic factors are at the fore and they must be dealt with. The only way we can deal with it right now is to get this legislation passed as quickly as possible so that the grain handlers can get back to work.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, we on this side of the House are sorry, as I am sure the government is in its own way, that it had to come to this but we are faced once again with back to work legislation, albeit in a different context than the back to work legislation we were faced with over the strike by the Public Service Alliance of Canada.

The dilemma throughout the week has been that on the one hand we wanted the minister to give as much time as possible to the collective bargaining process in order for it to work. At the same time we knew that the closer we got without success to the end of the week prior to the one when Parliament was not sitting, we were creating the possibility of having to deal with this legislation in a very short time frame. This is one of the reasons we have made it possible for the debate to begin in the way we did this morning. We will continue to be in discussion with the government over the course of the day as to how things ought to proceed.

I might say in referring to how things unfolded this week that there might have been a different outcome. The possibility of an agreement being reached was sabotaged or endangered—however you want to put it—by the statements made by the Minister for Grains and Oilseeds at the rally in Winnipeg yesterday, that things were proceeding. There was no guarantee that they would proceed to an agreement but nevertheless there was progress. When people heard at the rally in Winnipeg that the minister had announced back to work legislation, this indeed soured the mood and made the possibility of an agreement even less likely.

I think that is unfortunate and is one of the contributing factors to why we find ourselves in the situation we are now in.

It is not just farmers, although obviously it is farmers, who are most greatly affected by this. These strikes affect other people and other sectors of the economy as well. I speak as one who has a great many railroaders in my riding. When the grain finally piles up and the boxcars are not being emptied and not coming back, that eventually begins to affect employment in ridings like Winnipeg Transcona.

Railroaders know what it is like to be on strike.

I keep that in mind when I deliberate upon what my response might be to the kind of situation I find myself in now and which my colleagues and I find ourselves in as supporters of the collective bargaining process and as people who are generally critical of back to work legislation, but who realize also that there are situations, particularly when the government has made up its mind, that call for some arrangement to be made here in the House with respect to the legislation.

Again, the government could have made all this a lot easier and still could make it easier if it would agree to the very reasonable requests that are being made by the union *vis-à-vis* the legislation.

One of the sticking points over the last little while in the negotiations, as I understand them, has been the refusal of management, the company, the pools, to put pensions on the table. It seems to me reasonable for employees to want to be able to negotiate, at the time of renegotiating a contract, to want to have the matter of pensions on the table. This has not been the position of the companies.

All that the minister had to do, and I understand that he has said something in this respect, earlier on in the week was use whatever clout he has as the Minister of Labour to make sure that pensions were on the table in a way that might have helped an agreement to come about.

There has also been a request by the union for a three person arbitration board, rather than the one person as the government suggests, the idea being a person selected by management, another person selected by the union and someone else mutually acceptable is a preferable way of having settlements like this arbitrated.

As the hon. member for Churchill said, this is not uncommon. It is a process that has worked. It is not as if it is some radical new idea. It is just a radical new idea to the bureaucrats in the Department of Labour who do not like to do anything different. They have their ways. They are set in their ways. Heaven forbid that anyone should come up with a suggestion that they have not come up with already.

It seems to me that the minister should take this request seriously now. I understand that he has rejected it. If he has rejected it, he might consider another proposal by the union which is that at the very least the person who is appointed the arbitrator be someone who knows a great deal about pensions, someone who can take the pension concerns of the union seriously and deal with them fairly and adequately because that person knows what they are talking about when it comes to pensions.

I would certainly ask the minister to take that into account and perhaps to say something about that later if he can when we get into Committee of the Whole for instance that would reassure us and reassure the grain handlers that that kind of concern is going to be adequately dealt with.

If those kinds of commitments could be given, it would certainly facilitate the passage of the legislation. I hope that we can over the next little while hear something back from the minister on this so that we can be able to say that the process here was not a *fait accompli*, that the government was open to suggestions from the opposition and from the union and that we might actually make some progress in improving the bill which has been put before us.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, the bill before us, an act to provide for the resumption and continuance of grain handling operations at Thunder Bay, Ontario, raises a number of questions that I and a number of my colleagues have some difficulty with, both in principle and in operation.

• (1230)

While we understand the very natural anxieties of the agricultural community on the Canadian prairies, we also through a long history of involvement, for many of us a direct involvement, in matters dealing with industrial relations have considerable sympathy and understanding for the very real daily problems faced by employees at Thunder Bay.

Politics is a matter of choices. My colleague from Churchill earlier today asked a couple of very pertinent questions as to why the government, when it has so loudly proclaimed its very valid interest in getting the grain moving through the terminal at Thunder Bay, has not taken what action might be taken in order to ensure that the port of Churchill, which has storage facilities that are unused and which is able to take its former historic role as being a key shipper of prairie grain, remain functional. It has not been put on track when the government should have been able to see this problem coming.

No one wants to question motivations, but it still is a question that should be answered. If it is so vital that that prairie grain move and if the government could see this problem emerging, as most of us think it could, why then was action not taken to see that the port of Churchill remain functional? That is a question the government has to answer.

Other of my colleagues, the member for Winnipeg–Transcona and the member for Churchill, spent some time, and I want to just touch again, on the question of single person mediation and arbitration as opposed to the request that has been made for a three member panel for mediation and arbitration.

The normal and valid argument against third party intervention generally is that the immediate and almost sole interest of a third party that is intervening is to end an existing dispute and simply get a contract signed. That arbitrator does not have to live with the results of whatever is contained in that collective agreement and no third party has to live through the daily, weekly, monthly and yearly very serious problems and relationships that often exist within any given industrial undertaking.

We all agree that in some way or another because of the important public interest involved in this dispute, there will be some third party intervention. We understand that but once that choice has been made, surely we should attempt to define that intervention in such a way as it can most accurately reflect and work out answers to problems which are understanding and sensitive to the continuing problems that take place within the Thunder Bay operation and within that industry.

What we have submitted and what other parties have submitted is that can best be done not by a single mediator/arbitrator but by a three member panel in which there is direct involvement from both the employees who are most directly involved and the employers who are most directly involved because they know what those relationships have been.

That is something you cannot learn by simply listening to submissions and reading briefs within a necessarily very compressed period. It is something that you can only really get to understand if you have lived through the previous history within that specific undertaking or operation.

We would submit again, along with many of the other parties involved, that it is important in order to not only get a settlement, but to get a settlement that hopefully will allow the two parties in Thunder Bay to live together in a constructive relationship for a significant period to come. The parties most directly involved should have direct representation in the arbitration process.

It just seems like common sense to me. We recognize that there are across this country, not many but a number of individuals with some experience as single arbitrators who have done yeoman service and have shown a great proclivity to gain a deep understanding, in relatively short periods of time, of some of the specifics involved in the various disputes that they have been called upon to intervene in. It is, in an area of our economy that is so sensitive and so important to the needs of so many, maybe asking too much to expect any single person, no matter how efficient or how experienced, to be able to exercise the wisdom of Solomon.

We would again just ask the government to reconsider and give very, very special and sensitive attention to that request. We think the request has obvious merit and we think that many people across the country, even the farmers directly or indirectly affected by the dispute, would understand that as well. If it takes just a little bit longer in order to come up with the appropriate personnel, and we cannot really see why it should, I think everyone would be understanding and appreciative of it.

We also understand that pensions have been one of the major issues in dispute, and not really even in dispute so much as that the employer, for whatever reason, has refused to place those matters on the table.

In an industry which has seen a great number of layoffs and a great deal of insecurity over the period of the past few years and the past few months, I think we have to be sensitive to the likelihood that a large number of those employees and the community that surrounds them are going to feel that matters relating to retirement, early retirement and the kind of pensions which their members who may find themselves among the victims of layoffs again in the near future must have, are of great great priority, not only personal priority but community priority. They want to see that there is some stability as changes continue to take place.

We would hope again that the government, however this process evolves, will attempt to make clear to those who are going to be involved in the mediation–arbitration that they are advised to take the pension issue very seriously, not to tell them how to deal with it, but that it must be dealt with.

The whole matter of compulsory settlement is one that we certainly do not relish having to deal with. However, as a government and as a party that has formed governments in a number of provincial jurisdictions, and in the near future will likely do so again, we have found it necessary from time to time in a given public interest dispute to recognize that there are limits to freedom when a vital public interest is involved.

• (1240)

While it is a question of principle, we have always in the past been quite prepared to deal with the realities of the situation. We will be willing to deal with those again today, or whenever the time finally comes for a decision. The events of the past few weeks in this place have seen another major intervention by the government in imposing a settlement on the Public Service Alliance and the employees of the federal government. I think almost all Canadians, no matter which side of the debate they were on, thought this was unjust. This has left a certain atmosphere among many in the work force across Canada, both public and private, that there is perhaps too quick and ready a proclivity on the part of this government to move to deny people certain basic fundamental rights and freedoms in the name of some broad public interest. This dispute may more readily lend itself to a resolution that will perhaps find a broader measure of agreement than did the previous Public Service dispute. Our proclivity to move quickly to impinge on those freedoms leaves a bad taste. It makes it much more likely in the future that this government will face great difficulty, even in instances in which it may be quite justified, to attempt to gain public or parliamentary support for its actions.

If we cry wolf too often, people are not going to answer. I think the government ought to take a very close look at its own record in this regard and the fairness of the measures that it does impose when it does decide that measures must be imposed.

It is for that reason, again, that I just want to go back very briefly and urge the government to (1) consider advising whatever person or panel of arbitrators is finally appointed to consider the serious pension issues that have been raised by the employees at Thunder Bay, and (2) to give very serious consideration to the request that has been made for a three member panel so that we can have a solution that the industry, the employees and the community at large can live with. Hopefully we will see some continuing peace and justice within that community and that industry for the next number of years.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am rising to participate ever so briefly in this debate today. I just want to commend the government for one aspect of this bill. We, as my hon. friend from Kenora—Rainy River has indicated, are in support of the legislation in principle. We believe it is necessary at this time. So there is no misunderstanding as to why we support back to work legislation today and yet not have supported the back to work legislation with respect to the Public Service, I want to make it clear that we are supporting this bill in part because it contains an arbitration or mediation clause.

What the government is doing by this bill is appointing an arbitrator—they call it a mediator/arbitrator—to adjudicate on the matters in dispute between the parties and effect a collective agreement between the parties. The bill that was introduced to force the public servants back to work contained no such provision. It simply ordered the public servants of Canada to resume their employment and it gave them a zero per cent increase. We objected to that legislation because of its manifest unfairness and we would, of course, oppose such a bill in future. That is clearly unfair. The government should never have proceeded in that way.

In this case it has returned to an element of fairness. It has at least provided that an independent third party will adjudicate the matters in dispute. That of course is what it should have done in the case of its own public servants. What it did in that case was act as judge, jury and ultimately executioner for its public servants. It should have appointed a third party arbitrator who could have determined what was a fair contract in the circumstances between the government as employer and its employees.

This bill at least is fair. I know my hon. friend from Kenora—Rainy River has striven to ensure that such legislation was not necessary, but unfortunately it appears that the talks are not continuing at least in a way that will lead to a settlement. He has indicated that we as a party will support this bill in principle. I am pleased to have participated in that discussion. I want to make it clear that the principal reason we are doing so is because of the change in this bill from the previous bill in that it provides for an independent third party to adjudicate the matters in dispute.

On that basis, we will support the legislation.

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I want to underline certain points about the bill to order the grain handlers back to work. With the rest of my party I understand the need to get the grain moving. In particular, I understand the need of the farmers to get even the measly $2 per bushel that may be all they get. I am also aware that there is a different kind of need on the part of large trans-national operations such as Cargill which are taking over the world marketing of grain little by little, but moving fairly fast.

I am informed that the big issue is pensions. The amount of grain moving through Thunder Bay has been declining. The number of jobs moving the grain has been declining. The remaining workers are very naturally concerned about the pension system.

It seems that the employers refuse to discuss that. They are not bargaining in good faith and are not willing to address an issue that was legitimately on the table. It is an issue that is of extreme importance not just to their employees but also to many of the residents of Thunder Bay. Those pensioners if they have a decent pension will be spending their money mostly in Thunder Bay where they have lived most of their lives.

It is unfortunate that the weight of this bill may be directed primarily not against the employers who are unwilling to talk about the chief issue, but against the workers who use the only means they have to bring the employers to the table on that issue.

As has been mentioned by my colleague from Churchill, the scale of the fines is superficially equal: $100,000 on the employer, $100,000 on the union if it does not follow the legislation. That is in the spirit of the French proverb that I understand in English says that "The law in its majesty forbids rich and poor alike to stale bread or to sleep under bridges". In other words, Cargill can simply chalk up a $100,000 fine to expenses and take it

from the consumers at the other end of the commercial pipeline. The unions have nothing but the dues of their own members with which to pay a fine. In reality, the fines against the union and against the company are not by any means equal. They favour the company.

Nevertheless, I am glad that the minister sent his representative who had some prospect of getting some movement on the pension question. He was able for the first time to bring the employers to discuss that issue.

• (1250)

I am hoping that the arbitration will be able to deal sensitively with the issue of pensions and other issues on the table.

I also want to support the idea that there should be an arbitration board, one named by the employer, one named by the union and the chair named by the minister.

I want to refer to my own experience. I have had no direct experience in arbitration, but as secretary of my local union for 12 years in a factory that made corrugated paper boxes, the union that is now the Canadian Paperworkers' Union, I had a good deal of indirect experience with arbitration and much direct experience with the steps leading to arbitration. I started as an employee doing unskilled work, moving stock around the plant, becoming eventually a machine operator in the press department. I also became a steward and then an officer in the local. As such, I participated both in the negotiations with the company, which were at first annual and then biennial, and in the settlement of grievances or disciplinary situations.

I think it is very clear that people who are engaged in the same work not only are better able to defend their fellow workers but are better able also to decide when a proposed line of defence is unreasonable. In other words, there is some peer judgment exercised by a local union in the matter of its members' individual disputes. There is also a great weight on the local union not to ask in collective bargaining for something that is unreasonable. In my union, and I believe in other unions such as this one, offers by the company must be brought back to the members for a vote. The recommendation of the executive or the bargaining committee, one way or the other, sometimes is overturned by the membership vote.

What I am illustrating is that there is important knowledge and expertise to be had from a union appointee to an arbitration board. Without question, there is important knowledge and expertise to be had from an employer appointee. I cannot speak so directly of that.

I seriously urge the government to consider enlarging the board in the way that has been suggested by some of my colleagues on this side. I think if the government were to do that, it would make its initiative in this law far more credible. The reason I mention that is that the government's action to date in this matter is questionable in at least one way, and that is the outburst or whatever it was, planned or unplanned, of the minister of grains and oilseeds yesterday, which completely made a mockery of the Minister of Labour's representative sitting down with the disputing parties. To ask them to come together and discuss the very thing on which they were divided and then have the news that that does not matter because there is going to be back to work legislation in any case certainly makes bargaining impossible.

In many, many bargaining sessions between my local union and our employer, Continental Can, the question of trust, the question of confidence in the bargaining process was essential. During the 18 years I worked there, we did not have a strike. I do not claim that was because of my participation, but I am saying that the union and the company were both willing to reach a compromise on all those occasions.

I do not suppose that the cabinet was responsible for the intervention of the minister of grains and oilseeds but because of the unfortunate timing with which it occurred, I think the government would get better support not only from the grain handler workers, but from other workers in general in the country, if it showed sensitivity by enlarging the arbitration to a three man board.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I enjoyed the hon. member's speech but I was unable to discern from it whether he is supporting this bill.

Could he tell us his position or his party's position on whether they support this bill? It was not clear to me from the speech.

Mr. Heap: Madam Speaker, the matter is being discussed within our caucus and the hon. member will learn in due course what stand we will be taking.

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I too would like an opportunity to make a quick statement and then pose a question to the member.

One of the things the member mentioned was that his party seems to be very much in favour of the discussion that I have had in my speech about a panel versus an arbitration board versus just an arbitrator-mediator. I thank him for that because I think that is a concern that the union has.

The reason it has that concern, as I said before in my speech, was that the particular issue that it is dealing with is very technical in nature. It seems to me that we should, as parties on all sides, look at that particular issue and come to agreement on it.

I have discussed this with the union, and it does not see any sense in prolonging this strike because of the fact that the company through its listings in the press has come to the conclusion that there is no need to negotiate any further. There is going to be back to work legislation very shortly.

I have taken the lead somewhat from the workers in Thunder Bay who have said to me and I am sure to other members in this place: "Do not prolong this whole issue." If we can get some legitimate negotiations going through an arbitration board, then we may be able to get a lot further down the road than we are now. So far, the company has refused to deal with the pension issue, which is the major issue.

I would like to ask the member to tell us whether he personally thinks it would be beneficial for the party that he represents to vote in favour of this legislation. With the help of this particular arbitration board we will then have the right mechanism in place to deal with the issue as quickly as possible based on the economic situation that we are in.

Mr. Heap: Madam Speaker, as I said before the matter is still under discussion in our caucus because we do not know what the government is going to do, for example, in committee or in report from committee about the recommendation that the hon. member himself and others have advocated.

We do not know. We were quite surprised when one of the Winnipeg members of the Liberal Party gave a blank cheque to the government and said:"Anything that the government does, I will vote for". The debate is not finished, and as I have said we will discuss it within the caucus.

The question is whether a person is to make a decision without having the information with which to make it.

The Liberals may be happy to say: "Anything the government does is just fine by us". I am not. I want to see what the government is going to do. We do not intend to prolong the debate unduly, but we do not intend as the Liberals clearly are doing to simply surrender all the union's requests and abandon all the union's requests by telling the government: "No matter what comes, the bill will be passed".

• (1300)

We do not approve in general of this back to work legislation, but given the points raised not only by the hon. member but previously by our own members, that delay for the sake of delay would be useless and harmful to all concerned, we do not intend to delay it but that is different from the question of whether we will give final approval to the bill as such.

[*Translation*]

Hon. Marcel Danis (Minister of Labour): Madam Speaker, I think there is consent on three things: first, if you put the question, you will obtain the consent of the House to adopt Bill C-37 on second reading, on division.

[*English*]

Number two, I was going to suggest that you call it one o'clock afterward. We are getting very close.

The third point would be that immediately after Question Period, which would be three o'clock, we proceed then to Committee of the Whole.

Hopefully with the co-operation of my colleagues we may proceed through all stages of Bill C-37 this afternoon.

Mr. Murphy: Madam Speaker, there have been discussions and it is agreed that we would accept second reading on division because at this point we do not support the legislation.

Mr. Nault: Madam Speaker, on behalf of the Liberal Party, we very much agree with what the minister has said and we find it quite interesting that on the one hand the member who just spoke did not know whether his party was going to vote in favour or against and then the Whip for the NDP all of a sudden told us exactly how it was going to vote.

I sure wish the members would make up their minds so we could get this done with in a more amicable way.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Madam Deputy Speaker: Carried on division.

Motion agreed to and bill read the second time.

Madam Deputy Speaker: It being one o'clock p.m., I do now leave the Chair until two o'clock p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

RACIAL DISCRIMINATION

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, racism is on the rise in Canada. This week at a Canadian Jewish Congress conference, Ottawa police reported that an incredible 38 per cent of all youth crime in the city this summer was racist crime. Thirty-eight per cent. Violent race riots have also occurred in Montreal and Halifax.

Just last weekend a revisionist who denied the holocaust tried to spread his lies just two blocks from this House. Closer to home, in this House yesterday a racist slur was uttered by a member of Parliament. What a fine role model for Canadians.

Six months ago I asked the Prime Minister what the government was doing to stop the spread of racism in Canada. He spoke eloquently but did not offer specifics. We do not need platitudes. We need action.

I will ask again; what does this government plan to do now to stop the alarming growth in race related hatred, violence and crime in Canada?

* * *

[*Translation*]

NATIONAL FAMILY WEEK

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, this week, October 7-13, 1991, is National Family Week, sponsored by Family Service Canada.

This week is dedicated to public recognition of the contribution families make to the Canadian way of life. It is also a good time to highlight the activities undertaken by the Department of National Health and Welfare for Canadian families.

Over the years, the Department has launched many initiatives for this purpose, such as family allowances, child health and income security programs and the National Adoption desk. More recently, the Department has played a key role in initiatives against family violence and in the national anti-drug strategy.

Mr. Speaker, we hope that all these programs contribute to the greater physical and mental welfare of children and families.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Jim Karpoff (Surrey North): Mr. Speaker, Mogar Timber Mill Ltd., a small lumber processing firm in my riding of Surrey, B.C., is in danger of closing because of the government's mishandling of the GST.

The company has written to the government stating:

> I have not received my GST refund cheques for the months of May, June, July and August 1991. This is a total amount of $32,602 that is owing my company. There is no company that can survive when they have to pay out their profit and working capital. We are fed up with your system, we cannot figure out how this government can stay in power after causing so many small companies to shut down. You do not understand how important the working capital is to us.

If these delays continue we will be forced to shut down the company and lay off our employees.

On behalf of Mogar Timber and all small business I call upon the government to not only change the GST refund system but to scrap the GST.

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THE ENVIRONMENT

Mr. Peter L. McCreath (South Shore): Mr. Speaker, on August 25 the Minister of the Environment announced that the federal government has committed $25 million in green plan funding to strengthen Canada's fight against ozone layer depletion.

The government will strengthen controls, establish programs for the recovery and recycling of ozone depleting substances and increase our program of research and monitoring.

A permanent high Arctic ozone observatory will be established at Eureka, Northwest Territories that will place Canada on the leading edge of ozone science.

The government is also increasing the existing Canadian ozone monitoring program by 20 per cent and will augment Canada's participation in joint international research programs.

The 1987 Montreal protocol on substances that deplete the ozone layer was the first environment treaty signed by 25 nations addressing a truly global threat.

Canada has set up a domestic control program to exceed the agreed international targets. Our commitment is to phase out CFCs by 1997 and other major ozone depleting substances by the year 2000.

* * *

THE ECONOMY

Mrs. Christine Stewart (Northumberland): Mr. Speaker, despite our finance minister's sunny proclamations that the recession is over, thousands of residents in my riding of Northumberland ask: "Over for whom?"

Personal and small business economic crises are rampant, resulting in extreme family difficulties, emotional trauma, farms, small business and personal bankruptcies and closures.

The fact that there are so few jobs available in my community has caused welfare rolls to grow at such alarming rates that the system worries that its capacity to sustain its present load, let alone cope with the increases which are predicted.

The people of this country cry for leadership, vision and compassion. This government must recognize that its greatest asset, its people, are willing to work and want to be trained for good jobs, its small business entrepreneurs are willing to risk and help the economy grow. Crippling high taxes, the high dollar and unemployment policies must be addressed by this government.

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[*Translation*]

MEMBER FOR GLENGARRY—PRESCOTT—RUSSELL

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on October 8, 1991, the Liberal member for Glengarry—Prescott—Russell said in this House, during the debate on Bill C-211:

Last year there was a fire in Baie Comeau, in the Prime Minister's own riding. Is it logical that a volunteer should not be able to help with the fire because he is receiving UI?

I would like to clarify two points on this subject. First, the fire in question was this year. Second, *La Presse* of July 27, 1991 contained the following: "Elected officials on the North Shore want to fight forest fires with volunteers, but Quebec refuses." The Quebec Minister of Forests, Albert Côté, said: "We put in all the resources required in the circumstances. It would be irresponsible to send people into the forest without proper training and supervision."

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[*English*]

CULTURE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I am concerned about leading cultural institutions in my home city of Winnipeg.

I am informed today that the Manitoba Museum of Man and Nature faces a cut of almost $200,000 in financial assistance from the Department of Communications. This cost will place a terrible financial hardship on the museum.

In fact, if the government proceeds with this cut, it will threaten services now provided by the museum to schools and rural communities in Manitoba. It might also mean job losses.

The museum already has a deficit and will have serious difficulty in coping with this latest blow. The Winnipeg Art Gallery also faces a similar cut.

I urge the Minister of Communications to reverse these decisions. These institutions are major contributors to the quality of life in my home province.

* * *

AIRPORTS

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, in Bramalea—Gore—Malton, we are waiting for the sounds of silence.

We were told not to worry about airport expansion, not to worry about noisy aircraft, not to worry about flight frequency. We were told that all these things will not matter when the airlines start flying quiet planes. With airlines competing for a dwindling world travel market, I am concerned that our airlines will not be able to afford to replace their fleets with quieter aircraft.

If the prominent airlines cannot afford to fly the new quiet jets, what about other less prominent airlines? In the United States, the FAA has unveiled legislation that would require airlines to have 25 per cent of their noisy planes removed by 1994 and the remainder by the year 2000.

Can we expect equally definitive legislation in Canada? Mr. Speaker, forgive us if we are not optimistic. Forgive us if we just do not buy the latest solution to living with airport noise.

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PERSONS AWARD

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to congratulate the winners of the 1991 Persons Award, named for the day women officially became persons in Canada, October 18, 1929. The winners are Doris Anderson, Solange Fernet-Gervais, Ursula Franklin, Jane Manuel and June Menzies.

• (1410)

These women have made outstanding contributions, advancing the cause of women from advocacy on behalf of farm workers to repealing sexism in the Indian Act to working for equality for women in non-traditional fields. They are five courageous women.

I also want to congratulate women who have not received awards for a lifetime of work advancing the cause of women in Canada. We need to better appreciate the work of our foremothers, our sisters, our daughters and, of ourselves, in applying skills, intelligence and talent to a commitment to achieve full social and economic equality for the women of Canada.

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[*Translation*]

FAMILY ASSISTANCE POLICIES

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, the time has come to review our family assistance policies to make sure that they match the reality of the 1990s.

The present support system was developed on the basis of the needs of a traditional family composed of two parents, one of whom earned a salary. This system had two parts: a benefit plan and rules to prevent tax avoidance through income splitting. The tax system was later modified to follow trends in family structure, for example by setting up an equivalent credit for wholly dependent persons.

Today, the benefit plan and the rules are in flagrant contradiction. Thus, unmarried couples with children are in a better tax situation than married couples with children. The problem was recently recognized by Statistics Canada, Mr. Speaker, and is real. We are aware of it and will try to solve it.

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[*English*]

TREASURY BOARD

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, let us examine the Tory yearly salary policy. The government refuses to give a salary increase to its employees this year and has limited the increase to 3 per cent for each of the next two years. It is fiscal restraint. But now the government has been caught giving fat bonuses to heads of Crown corporations and to other Order in Council Tory appointees.

Mr. Speaker, if you were a good CN president last year, you get an $87,000 Christmas bonus this year to top up your measly $365,000 a year salary. If you have been a bad boy this year, oh, well, not to worry because you will only be judged next year for what you did last year in order to get a bonus this year, and the year after that, of course.

Mr. Speaker, that should clear it all up. By the way, is this not the year of the pig? No matter how you cut it, if you are a Tory bigwig, you can always agree with the tire salesman who once said that it has been a very "Goodyear", but if you are an ordinary taxpayer or government employee, every Tory year is a bad year.

* * *

AIDS AWARENESS WEEK

Mr. Bruce Halliday (Oxford): Mr. Speaker, this is AIDS Awareness Week. Since there is as yet no cure or vaccine for HIV infection, education and prevention programs remain the most effective tools in preventing the spread of the disease.

Community groups are fundamental to fighting AIDS, as they provide preventive education programs and are key players in the provision of care and support to those who are HIV infected.

The many challenges that Canadian society faces concerning AIDS will be brought to the attention of all citizens and all levels of government by the many community-based organizations.

This week, Mr. Speaker, represents an opportunity for us to show our support in the battle against HIV infection and AIDS. I urge all members to participate in the many activities planned for this week.

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[*Translation*]

SPECIAL JOINT COMMITTEE FOR A RENEWED CANADA

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, the Special Joint Committee on the Future of Canada began its work yesterday. Before that, we had the Charest Report, the Beaudoin-Edwards Committee and the Spicer Commission, better known as the "Spicer circus".

It seems less serious to us than commissions like those chaired by Fulton-Favreau and Pepin-Robarts. We should call it "the remake of the Spicer Circus", something like *Rocky I, II, III, IV*.

The Bélanger-Campeau Commission would be a more appropriate model, according to Liberal André Ouellet. Canadians deserve better, Mr. Speaker. Indeed, it would be preferable to have one-to-one discussions between Quebec and Canada once Quebec has held its referendum. We would benefit from following the European Economic Community, Mr. Speaker, which, remember, is an economic organization of sovereign countries.

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[*English*]

GOVERNMENT OF NEW BRUNSWICK

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, on Wednesday, Premier McKenna of New Brunswick announced the make-up of his new executive council. Responding to the need to reduce government as expressed by the people of New Brunswick, the premier reduced his cabinet from 24 members to 18, a 25 per cent reduction.

This, along with mergers and streamlining of government departments, will save the taxpayers of New Brunswick an estimated $3 million to $5 million a year. The number of women in ministerial positions has also risen to five, the highest in the history of the province. Mrs. Shirley Dyshart will become the first woman Speaker of the New Brunswick legislature.

I congratulate the premier and all members of his new government, particularly those from my federal riding: Mrs. Ann Breault, a new addition to the cabinet who becomes Minister of Income Assistance; Sheldon Lee who retains his position as transportation minister; and Bruce Smith who becomes our new Solicitor General.

I along with my colleagues in this House look forward to working with the Government of New Brunswick in making a better New Brunswick, indeed a better Canada.

SERVICE MEDALS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, recently members of the Canadian Armed Forces who served in the gulf war were recognized for their outstanding dedication and professionalism when the Canadian government created the Gulf and Kuwait Campaign Medal. Earlier this year, in June, the government announced the creation of the Canadian Volunteer Service Medal for Korea.

The Cameron Association in Winnipeg asks us all to recall an event of great significance in the course of the Second World War in Europe: the raid on the French coastal port of Dieppe in 1942.

Many Dieppe veterans are asking, with the 50th anniversary of the Dieppe raid approaching in 1992, that the Government of Canada finally do the right thing and strike a medal to acknowledge the dedication, professionalism, heroism, sacrifice and contribution that was demonstrated by so many Canadians on August 19, 1942.

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BILL C-17

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, late last night the legislative committee passed Bill C-17, the government's proposed gun control legislation.

I want to congratulate all those who contributed to the process, but in particular committee members from all sides of the House, for the diligence and dedication required to achieve this improved bill.

For some of us the process began a number of months ago with the special committee on Bill C-80. Many said that we were attempting to hijack, scuttle or water down the bill. It will be obvious to all in this House that this has not happened. In fact the opposite is true.

The democratic process was allowed to function and the result is legislation that is stronger and more effective, just as predicted by the Minister of Justice.

* * *

BURMA

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, did you know that Petro-Canada, still 80 per cent owned by the people of Canada, is currently training the son of the managing director of the state owned Myanmar Oil Corporation in Calgary?

The military government of Burma, according to Amnesty International, operates one of the most oppressive regimes on earth. It has no basis to exist in law or in democratic practice.

The 85th Interparliamentary Conference held in Korea earlier this year passed a resolution expressing concern that the Burmese Parliament had not been allowed to sit since the May 1990 elections and that 62 elected parliamentarians had been arrested.

The latest sleight of hand by the Burmese regime has been to amend the election law with the retroactive effect of barring anyone convicted of a security or moral offence from running for Parliament.

Petro-Canada will never retrieve the $6 million paid as a "signing bonus" for the right to drill for oil in Burma, but it could still retrieve some of its honour and Canada's by disentangling itself, even at this late stage, from its involvement with a regime that has shown no regard for human rights or democratic principles.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

We keep hearing all the ministers of the government saying that the recession is over. I want to tell the Prime Minister that if they would take the time to go across the country like I have, they would meet the plant workers.

Some hon. members: Oh, oh.

Mr. Chrétien: I met 7,000 farmers yesterday and they all know that if we had not put pressure on this government for a month and a half nothing would have happened.

If they were to talk with the plant workers who are losing their jobs, they would know that these people do not think that the recession is over. If they were to meet with the single mothers who are obliged to go to the food banks, they would know that they do not think the recession is over.

• (1420)

I would like the Prime Minister to realize that there is a human face to this recession and we want to know the truth. Is the recession over or is it not over?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend will acknowledge, with economic growth in the last three months annualized at 4.9 per cent, with inflation in the last three months below 3 per cent, with interest rates that have declined by six percentage points in the last year and 13 basis points more today and with 49,000 net jobs created in the last number of months, that those signs are all encouraging.

What is even more encouraging are the results of the IMF and the OECD which indicate that in 1992 Canada's economic growth is liable to tie that of Japan's, thereby leading the industrialized world.

There are no guarantees in this life, but I think that the record is encouraging and I hope my hon. friend would agree.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, yesterday, the Minister for International Trade was in Montreal. He spoke to businessmen who complained the dollar was too high, exports were going steadily downward and they had to lay off hundreds of workers every week. The minister said that businesses that wanted to compete on international markets should not let themselves be influenced by the strength of the Canadian dollar.

I therefore want to ask the Prime Minister: Does he agree with the minister's statement or does he in fact think, as we do, that this is no way to heat people who want to create jobs but need help at this time? Does he agree that when we have a situation like the one we are in today vis-à-vis the Americans, we must use our monetary policy to help our entrepreneurs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yesterday I responded to criticism about the value of the dollar, and I asked whether it was one of the Liberal Party's monetary policies to proceed with an artificial depreciation of the Canadian dollar, with all the disastrous consequences that would automatically ensue.

[*English*]

When the Leader of the Opposition was Minister of Finance and President of the Treasury Board and the dollar was trading at $1.02, he was asked whether he was going to order the lowering of the value of the dollar. He said: "I have not given any instructions to the Governor of the Bank with regard to the Canadian dollar. The Canadian dollar is a floating dollar and it is the marketplace that will decide where the Canadian dollar should be. That is the policy of the Liberal government and I have not given any specific instructions to the Governor of the Bank to lower the dollar".

Hon. Jean Chrétien (Leader of the Opposition): No, I have not done that, Mr. Speaker, but there is one thing I did that this government would have been well advised to do, and that is not to borrow abroad to finance the deficit of the government when we have enough savings in Canada.

Some hon. members: Oh, oh.

Mr. Chrétien: It is the way he has trapped himself.

In those days, I would like to tell the Prime Minister, the dollar went down when we were there because in Canada the paper mills were closed down, the mines were closed down, and it was the instrument I used to bring Canada back to a competitive position.

Some hon. members: Hear, hear.

Mr. Chrétien: I want to know if the Prime Minister, like his minister for external trade, tells businessmen who want to improve the competitiveness of their products abroad to take the 90-cent dollar and shut up, try to export, and you will never receive any help from this government.

What is the policy of this government in terms of making Canada competitive in international markets?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously the debt, the deficit, the productivity rate and foreign investment, all of these matters, impact very significantly on the value of the dollar as do the inflation rate, anticipated growth, and so on, as my hon. friend knows.

When he was Minister of Finance he was asked the question: "Are you ever tempted to fix the value of the Canadian dollar?" "A. No. No industrialized country's currency is fixed". "Q. Do you ever think of getting out of the finance portfolio for something less tough?" "A.

No. Yes. You know it is tough when I look back to all the problems of my predecessors".

The problem my friend referred to, he adopted a policy when he was Minister of Finance of letting the dollar seek its own level. That was a policy that has been endorsed by industrialized countries since the Second World War, and we think it is an appropriate one.

Now he says that when he was Minister of Finance he chose not to borrow abroad. He did not have to. He printed money recklessly, as a result of which the debt of Canada increased by 1,100 per cent in 15 years. The Leader of the Opposition is an architect of the destruction of public finances in Canada, and everybody with a brain in his head knows it.

* * *

TRADE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is for the Prime Minister.

This government keeps telling Canadians that we have free access to the U.S. market. However, fresh fish shipments are held up at the border by as much as three days, softwood lumber shippers now have to post bonds, shippers of breeding livestock are held up and detained as long as three days, and now we have a tremendous increase in the live hog—pork countervail.

This is nothing but harassment. Is this what this government means by free market access?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, we are aware of the difficulty with softwood lumber at the border. I think there has been considerable confusion on the part of the United States as to exactly what the softwood lumber arrangement should be, but we have made our representations to them and we have been guaranteed that there will be no further hold-ups.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my supplementary question is for the Prime Minister as well.

That answer indicates to the House that they are aware. What we want to know is what is going to be done. A Canadian pork producer today receives $110 for a hog, but in order to sell that hog into the United States that producer has to pay the United States government $24 Canadian.

My question is: Is this free trade? Is this market access? Is this fair?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, my colleague, the Minister of Agriculture, went through all of this yesterday in some detail. We know this is not an uncommon thing for the United States pork producers to do. Is our own industry going to object to this? The Government of Canada will stand behind the Canadian industry.

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AGRICULTURE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

The farm package announced this morning will give farmers about $7 an acre, and the government has said that that is what farmers need. Well, yesterday I too met 7,000 farmers who said very clearly that they needed $30 an acre to continue or they are out of business.

So I want to ask the Prime Minister: according to his government's calculations, how many farm families will this shortfall put out of business permanently?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I think the crisis in the farm community is much more serious than the Leader of the New Democratic Party has put forward in her question.

Thirty dollars an acre amounts over $2 billion. That is on seeded acres. If it were uncultivated acres it would be amount to $3 billion. Neither the Government of Canada nor the provincial governments have the capacity to provide that support.

What we have done is work with the farmers and the provinces and put forward programs that will provide before seeding next year $40 an acre in assistance to the grains and oilseeds industry in Canada.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is for the minister. As the minister well knows, farmers want to stay on the farm. When they say that they need $30 an acre to make up for the 1990 shortfall, they are not just making this up out of the air. They are saying this is a question of survival. Last year, 44,000 farmers had left the land for good.

• (1430)

Some hon. members: Oh, oh.

Ms. McLaughlin: Forty-four thousand farm families have left the land for good. What is the minister prepared to do for those farmers who cannot make it on $7 an acre? They say they are going to go out of business permanently. I ask the minister again: What is he prepared to do now to assist them to survive?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I want to be as kind as I can. I think it is very important at this time that we recognize what has been done.

An hon. member: Oh, oh.

Mr. McKnight: The member from Toronto, who I am sure thinks agriculture is fine if Safeway is open, should maybe listen. We think it is very important.

The problem is that neither the Government of Canada nor any provincial government has the resources to provide what some farmers have suggested. I would read to the hon. member and to the House a document from the Saskatchewan Pool. It is addressed to my colleague, the Minister of State for Grains and Oilseeds: "The farm aid packaged announced by the federal government today is appreciated and is a significant commitment to resolving problems being experienced by Canadian farmers".

Some hon. members: Hear, hear.

Mr. McKnight: We know that they could use more. We would like to have been able to provide more.

Canadians believe in their farmers. Canadian taxpayers are going to have to do what the taxpayers in Europe and the taxpayers in the United States have done: assist their farmers in their time of need. I am sure they are prepared to continue doing that.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister.

The minister indicated this morning that either through increased taxes or reduced programs we were going to have to pay for these programs for farmers. I understand that the government does not want to add to the deficit. That is understandable.

Given that, there are places where the Prime Minister can find money to assist the farmers of this country. I want to ask the him: rather than raise taxes for the middle class, will he close the tax loophole that is for business lunches and entertainment deductions for corporations? It will raise $1 billion for the Canadian government to assist farmers.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we will be happy to look at any suggestions my hon. friend has when the Minister of Finance returns and introduces a fiscal measure in order to recover the amounts required on behalf of this expenditure on behalf of the farmers. We will be happy to look at any constructive suggestions that she may have, any suggestions from the opposition. I assume there will be a debate on the floor of the House and we will be happy to do that.

My hon. friend points out that there was $800 million sent out today to Canadian farmers. There is $2 billion more coming to assist agriculture, but the $800 million deficiency payment today is I think significant.

It is interesting that in debate the other night NDP Leader Roy Romanow in Saskatchewan said: "What the farmers need is a third line of defence, $500 million". We provided $800 million. I hope my hon. friend will be pleased.

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[*Translation*]

VALUE OF THE DOLLAR

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, in my riding, a Sidbec employee recently lost his job. The president of the company and the president of his union told him that the suicidal level of the dollar had destroyed his future. Mr. Speaker, I would like to put the question I was asked by this employee to the Minister of Finance: If the president of the company, one of the bigger companies in this country, and the president of my union, quite an important union, agree on this point, why won't the Minister of Finance listen?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, of course the government is very much aware of current levels of unemployment, and it wants to do everything it can to enhance economic recovery. That is why the government must put its fiscal house in order. I think the hon. member will realize that when during the first six months of the year, provincial governments had to borrow $10 billion outside the country—more than was borrowed last year—this foreign currency was then converted into dollars, thus putting upward pressure on the dollar.

I would also like to recall what the Prime Minister just said about the option of letting our currency float. There is pressure on the dollar. There is a feeling of insecurity in certain parts of the world, but people have confidence in Canada, despite our problems. There is also our financial situation, where the government occupies all the space on the capital market. These are the problems we are addressing, because we feel things must improve. Today's drop in the bank rate is in fact further evidence that our formula is the right one.

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[*English*]

INTEREST RATES

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, there are two reasons for the high dollar. Over the past seven years, first of all, we have had a strong Bank of Canada; and second, we have had a weak Government of Canada.

The issue, very clearly, is not simply one of bringing interest rates down, it is stopping the dumb, artificial propping up of the Canadian dollar. Eliminate the short-term interest rate gap between the Canadian and American interest rates and the Canadian dollar will come down; bring the Canadian dollar down and people will go back to work.

My question for the Prime Minister is this. When is the government going to move to eliminate the gap between American and Canadian short-term interest rates? When is the government going to move to bring Canadians back to work?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows that the rate has dropped by six percentage points and the spread—

Mr. Loiselle: It has been cut in half.

Mr. Mulroney: Mr. Speaker, my hon. friend is a successful business person. He knows full well that the spread has narrowed, has been cut in half over the last number of months between the American and the Canadian rates. He knows as well that all the economic indicators, including the one for last month, was positive. He knows as well that there are pressures on the dollar, that investment is flowing into Canada in very strong numbers.

My hon. friend, if he is suggesting, the rates are coming—

Mr. Martin (Lasalle—Émard): When are you going to eliminate the gap?

Mr. Mulroney: Mr. Speaker, the gap has gone from 595 to 290 and is now on the way to 260 and declining. I think this is a remarkable degree of progress.

My hon. friend would probably agree with his leader when he was Minister of Finance when he said that " we do not think that the level of the dollar at this time is a good level for maintaining our competitive position. We hope that the fluctuation will not be downward, but if the pressures of the market bring the dollar down, we will live with it because we are not the ones who fix the dollar. It is the market which determines the value of the Canadian dollar". When the Leader of the Opposition said that, the dollar was at 87 cents.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the Prime Minister knows that for every cent the Canadian dollar goes up, Canada loses thousands of jobs and $1.3 billion in export sales.

Will the Prime Minister explain to Canadians why he thinks that a rising dollar that cost us jobs, that cost us export sales, is good for Canadians?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): I would like to repeat again that this government does not have a high dollar policy. The Canadian dollar fluctuates according to the market. We live in an open market economy.

The International Monetary Fund report, on which the opposition is very silent today, commends us for doing precisely what we are doing to allow the economy to prosper, taking control of the fiscal situation of our country and reducing the deficit, an effort that has been opposed every step of the way by the opposition for the last few years.

The Prime Minister was very humble. He said that the growth for Canada expected by the International Monetary Fund is the same as Japan. It is higher than that of Japan at 3.8 per cent for 1992, and we are very proud of that.

Mr. Jim Peterson (Willowdale): Mr. Speaker, let us look at the record. Since January 1, 1989 Canada has lost 261,000 or 13 per cent of all its manufacturing jobs.

• (1440)

Surely the Prime Minister recalls the report of his own Economic Council of Canada which told him three years ago that if we had an 88 cent dollar we were going to lost thousands of manufacturing jobs.

If the Prime Minister will not listen to Canada's manufacturers or workers, why did he not at least listen to his own experts?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I remember just a few months ago we were hearing the same questions from the opposition parties.

They were telling us that the short-term Canadian rates were 565 percentage points above the U.S. They were saying that it was a tragedy, that we should bring the dollar down and that that would solve everything. We have brought the interest rates down and the dollar is going up. How can he explain this contradiction? It is not as simple as he says.

Of course, if you give away your products, people will buy them. You live in a real economy, and you have to be competitive.

The dollar floats because of many reasons we have already expressed today.

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IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration.

As the minister knows, the government's own appointee condemned the unconscionable delays in Canada's refugee backlog system by granting refugee status to the Francois family as the sort of thing on which all responsible refugee groups have commented favourably.

Will the minister assure this House that he will not introduce yet further delays by appealing Ms. Lavender's decision?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I will give that assurance to the hon. member that a binding decision by an arbitrator, which is not a court of law, will be reviewed by the Federal Court of Appeal.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, as the minister knows, the United Nations subcommittee on human rights was sympathetic to the Canadian Council of Churches evidence that lengthy delays up to five years are damaging the emotional and mental health of refugees in Canada who have been separated from their families.

Will the minister now speed up the backlog program by increasing the resources available, particularly in Ontario and Quebec, so that the remaining 35,000 cases can be completed before December 1992?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the target date for completion of the hearing of backlog cases will be delayed a bit in the province of Quebec. It will be delayed also in the province of Ontario. In the rest of Canada, the target date will be met.

When he talks about damage, there is also the fabric of this country to protect. We need rules in place which allow us to have a proper system of immigration, and this is exactly what we are attempting to have. The resources required to deal with the backlog are in place. They will be spent to accomplish the objective first set when we introduced the backlog program.

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FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, last year in Atlantic Canada foreign overfishing accounted for 150,000 tonnes which is almost equal to the total allowable catch for the whole region and represents 3,000 jobs.

This government is allowing foreigners to plunder the very resources upon which the Atlantic region depends. I would like to ask the Prime Minister when he is going to get seized with this problem. When is he going to get serious about protecting our fish for our fishermen?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, it should be clear.

If the hon. member would care to look at the record of all the efforts the government is deploying to stop the overfishing, if he would look at the reality of the overfishing in Atlantic Canada, he would see the steps that have been taken by all levels of government and by the industry in Europe to try to stop this overfishing.

We have not succeeded completely, but the Minister of Fisheries and Oceans is always trying to convince the EEC to stop overfishing and respect the environmental concerns of Canada in the North Atlantic.

The hon. members says that we allow foreigners. The hon. member should come clean with Canadians and tell them that no foreign trawlers are allowed within the 200-mile limit off Canada, except according to the rules set by NAFO, and that is the reality.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am going to direct my supplementary question to the Minister of Fisheries and Oceans who, when he announced the aid package for Newfoundland and Labrador and the Atlantic region last week, stressed very much that the failure of the fishery was due solely to environmental problems.

If this is so, how can he account for Soviet fishermen giving evidence to Newfoundlanders on Soviet overfishing in our own waters, and how can he account for the rage, the anger and the frustration of the Newfoundland fisherman who cannot fish 45 miles off their own coasts in area 3NO without being arrested. More particularly, Mr. Speaker, what does he intend to do about it?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the Minister of Fisheries and Oceans, is away on duty. You know, it is great to stand up and grandstand in the House. What he is not telling the fishermen in Atlantic Canada and in Newfoundland and Labrador is that the reason why the quota in 3NO from about two years previous was 46,000 tonnes and has been dropped to approximately 13,000 tonnes was for conservation reasons.

Maybe the Liberal Party is in favour of letting fishermen raid the resource and kill it. We are not.

AGRICULTURE

Mr. Joe McGuire (Egmont): Mr. Speaker, I have a question for the Minister of Agriculture. The compensation payment for PVY-N for last year's crop has not yet been completed. Farmers have been waiting for over a year and a half.

The application forms for the 1991 crop are not yet available. What I want to know, Mr. Speaker, is when will the application forms be available. I especially want to know if the funds are in place to immediately respond to the losses, or will the P.E.I. potato producers have to wait until next year again.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, payments for last year to date are over $9 million. There are some 36 applications for assistance that have not been processed because there were some problems in filling out those forms for 1990.

We have established an action committee in Prince Edward Island of the stakeholders, producers, provincial government, federal representatives. They are the group that is working to provide an application form for this year's assistance.

I can assure the hon. member that the dollars to address this concern, as I said when I met with the premier of Prince Edward Island in Saskatoon and established the process, are available from the Government of Canada.

Mr. Joe McGuire (Egmont): Mr. Speaker, I hope the grain farmers of the west do not have to wait as long as the potato farmers of Prince Edward Island for their compensation.

I have a question for the same minister. Preliminary re-testing results of the supposedly infected fields showed an 80 per cent error rate. Potato fields were destroyed for absolutely no reason. The minister's department has been re-testing for the past several weeks. They admit this now publicly.

What I want to know, Mr. Speaker, is what are the results of the re-tests being carried out over the past number of weeks. Can the minister now tell the P.E.I. farmer what is actually going on.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, as the hon. member knows, when the virus was discovered in Prince Edward Island last fall, the plants were in the tuber stage. This year we have gone through a testing process that was agreed to. I want to emphasize to the hon. member that it was agreed to by the Province of Prince Edward Island and their scientists and by the Government of Canada and our scientists in a protocol.

• (1450)

We are in this together. We are in it for the betterment of the potato industry in Prince Edward Island. Yes, there is a hypothesis out there, a theory that there may have been some mistesting. But no one including the international panel of experts has any doubt that PVY-N is in Prince Edward Island. What we are doing together with the farmers and the province is attempting to eradicate that so that the industry will be able to sustain itself.

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COMMENTS IN CHAMBER

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

At a time when we are trying to send out a signal to Canadians that Canada is a country for all Canadians, we have in the last two weeks witnessed derogatory remarks made in this House that have insulted both the women of Canada and visible minorities of Canada.

I know that the Prime Minister has a commitment to combating sexism and racism in this country, as I do, and I want to ask the Prime Minister: Will he take serious action to show that commitment by removing the Parliamentary Secretary to the President of the Treasury Board and the Parliamentary Secretary to the Minister of Employment and Immigration from their duties to show his seriousness?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I thought this item had been dealt with quite effectively by yourself when it came up. In any event, the whole question of the demeanour of members of Parliament in this House has been a subject I have been talking about for a year. I committed earlier this day to bring forward a motion to this House. We can fully debate that, have a free vote, and impose on ourselves standards of behaviour that will make the people of Canada proud rather than disappointed in this House.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question, Mr. Speaker. I think everyone in this House will agree that we do not need a free vote on sexism. We do not need a free vote on racism.

I want to say to the Prime Minister that I as a leader will personally commit that, should anyone in my caucus make sexist or racist comments in this House, I will relieve them of their duties and I ask the Prime Minister: Will he simply do the same?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no difficulty at all in subscribing to the point of view expressed by my hon. friend.

I have sat here for seven years as Prime Minister and have been I think subjected to just about every possible epithet coming from the other side of the House. One of the members of the NDP, among other things, arrived here and slopped down a fish, with huge insults, on—

Some hon. members: That is not sexist or racist.

Mr. Mulroney: My hon. friend says: "We are of course opposed to sexism. We are of course opposed to racism of all kinds". I have stood against both throughout my political and private life.

My hon. friend will agree that this is a two-way street. We are going to enforce these requirements very severely on ourselves. I know that she will want and the Leader of the Opposition will want to enforce the same demands and the same high standards of conduct on all members of the Official Opposition.

The opposition does not require calumny, smear, character assassination, or any of the things to which we have been subjected for the last seven years. In the process I can commit to my hon. friend that we will subscribe to very high standards with pride and with pleasure. I know that they too will insist that the Leaders of the Liberal Party and the NDP do no less for their own members.

* * *

[*Translation*]

PETROCHEMICAL INDUSTRY

Mrs. Carole Jacques (Mercier): Mr. Speaker, a few weeks ago, Kemtek, a petrochemical company, announced that it intended to suspend all operations indefinitely. Mr. Speaker, this decision threatens more than 1,000 jobs in East Montreal. Last week, the minister responsible for Montreal and the executive and members of the union had a meeting to discuss a solution. My question is this: Could the minister give the House the

assurance that he will co-operate fully with these people in order to save these jobs?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I would like to thank the hon. member for her abiding interest in this unfortunate sequence of events that recently struck East Montreal.

As the hon. member mentioned, last week I had a meeting with employers, employees and a number of people otherwise involved in this situation. The federal government and the Government of Quebec are very concerned. Every effort is being made to attract a new owner in order to keep the plant open and thus preserve a number of extremely vital jobs.

Mrs. Carole Jacques (Mercier): Mr. Speaker, I have a supplementary. I would like to know whether the minister has received confirmation from the provincial government regarding its position on this case.

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the Government of Quebec, through the Quebec Industrial Development Corporation, has asked for the company to be declared bankrupt so that the case can be settled. A receiver was appointed yesterday, and I repeat that the federal government and the Government of Quebec are working very hard to maintain the company's operations, if at all possible, and to preserve those 1,000 jobs.

* * *

[*English*]

EMPLOYMENT

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is for the Minister of Employment and Immigration.

At a time when this government is boasting about its prosperity agenda, 1.5 million Canadians are unemployed. Now Statistics Canada reveals that their job prospects which were already dismal are at their worst point in seven years. With the made-in-Canada recession we saw factory after factory shutting down and jobs vanishing forever.

I ask the minister: When will this government face reality and take all the necessary steps to halt the deindustrialization of this nation and put Canadians back to work?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, if that member is so concerned about the fate of workers in Canada, I do not know why he and his party and his cohorts in the other place fought Bill C-21 for so long. He likes to talk about unemployed people in this country. These people this year will get $1.8 billion more in training to adapt to the requirements of the changing economy.

Instead of just grandstanding on the issue, the Liberals should put their foot where their mouth is and support them.

Mr. Maurizio Bevilacqua (York North): I have a supplementary question, Mr. Speaker.

The government strategy of jobs, jobs, jobs has been a failure, failure, failure. You promised Canadians a worker readjustment program. You have not certainly delivered.

Some hon. members: Order.

Mr. Bevilacqua: The government now speaks to the issue of global competitiveness and at the same time cuts in the areas of education and training, both vital components to compete globally.

Given this government's failed employment strategy, how can Canadians expect the jobs that will enable them to compete against the world?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, we outlined in the Speech from the Throne the will of the government to try something which of course Grits in previous generations never succeeded in doing, that is to bring together the people of Canada to work under the labour force development strategy and to try to get the business sector and labour in Canada to work together so that we could provide our workers, men and women all across Canada, with the tools they need to fill those jobs that are required.

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IMMIGRATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration.

The Refugee Review Board has decided to deport the family of Guillermo Jerez saying it is not convinced they would be persecuted if they returned to Nicaragua.

Given that international agencies have documented 52 killings of people like Mr. Jerez and his family since 1990, why will the minister not personally intervene and overturn this deportation order?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, let me first say that I am just as appreciative of the member's concern as those who are trying to make the case that the process in place should not be followed. Mr. Jerez has had the benefit of the entire refugee determination process, including a full review of his claim by an independent tribunal. I am satisfied that he and his family have received due process at all stages. We have fulfilled our part of an agreement with the family last week and postponed removal until this week.

• (1500)

I want the hon. member and other members in the House to appreciate fully that we must respect the process that is in place. It is recognized throughout the world as being the most generous and fair in the world and it should be allowed to work.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, speaking of process, I would suggest that the Jerez family is not the only family in that situation. As a matter of fact, of the 100,000 refugees cases presently in Canada, only 4,000 people have been deported at a processing cost of $300 million and more. That is almost equivalent to the entire budget of the United Nations High Commission for Refugees around the world.

Would the minister call for an urgent administrative review to make our system more effective and save the lives of people like the Jerez?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I do not know if the hon. member is really sure of the accusation he makes about this refugee determination system. We have in this country, as the hon. member knows, a system which must be not only fair but firm.

When he talks about removal, we have at this time of the year almost tripled the number of removals of people who have gone through the process but are not here legally. I do not think Canada should be ashamed of its record because we often get criticism like this but very few criticisms for the decisions that we make in favour.

Mr. Speaker: A single question from the hon. member for Edmonton East, a single question and a short one, please.

Mr. Harvey (Edmonton East): I will decline, thanks.

Mr. Speaker: The hon. member for Calgary Northeast, even shorter.

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YUGOSLAVIA

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I am going to accept that question and it is directed to the Prime Minister.

As we know the fighting in Croatia continues. The cease-fire is not holding. The Stalinist Junta in Belgrade illegally took control of the armed forces of Yugoslavia and wages a war against the innocent children and civilians of Croatia.

Therefore my question through you, Mr. Speaker, to the Prime Minister is: Will our government recognize the changes in the Balkans, the new reality, and recognize the duly elected Government of Croatia?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, Canada has been very active in trying to promote peace and a ceasefire in Yugoslavia, both through the CSCE and by offering to monitor through the European community. Canada also led the resolution in the Security Council at the United Nations.

But recognition, as the hon. member knows, follows a number of international criteria. Among them, there have to be settled boundaries and an effective government in its independent ability to control a territory.

We are encouraged by the latest ceasefire where we have the President of Croatia, the President of Yugoslavia and the defence minister in a tenuous accord that might result in the possibility of recognition at some point down the road once some of those issues are settled.

In the meantime, the most important thing is that the parties stop shooting and that they observe the ceasefire that they themselves have signed on to. Until that happens it is very difficult to take any further steps.

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Vic Althouse (Mackenzie): Mr. Speaker, just so that the Prime Minister is not seen as having misled the House, it should be pointed out that in his statement today quoting Roy Romanow the net income shortfall for Saskatchewan of $500 million is that province's proper share of a $1.3 billion—

Mr. Speaker: That really is not a point of order. That is a question of debate. I have to point out it is a question of debate and I do not think it should be proceeded with.

QUOTATION DURING QUESTION PERIOD

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, during Question Period I quoted from a letter from the Saskatchewan Wheat Pool and I was not able to finish the quote. I want to be sure that it is on the record. It reads: "This assistance must be delivered to farmers as soon as possible. This farm aid package falls short of the income shortfall needed that was identified for both Saskatchewan and Canada. However we look forward to continued dialogue with the federal government relative to the support that will continue to be required as long as we are faced with the devastating effects of the international trade war". It is from President Garf Stevenson.

Mr. Speaker: I appreciate the remarks of the hon. minister, especially on this issue, but I do ask ministers and members during the 45 minutes that is allotted to us to all strive mightily to get the questions in and to also get the answers back. Otherwise on points of order we just extend the Question Period and that is something which of course puts some pressure on the good nature of the House.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the government House leader with regard to the business of the House for the remainder of today and tomorrow, as well as for the days after we return, particularly Monday and Tuesday of the first week after the break.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, it is my hope that this afternoon we can complete the back-to-work legislation for the Thunder Bay grain handlers so that the Senate might deal with it tomorrow and have it in place and have grain moving again to the benefit of western farmers.

I would like formally to designate tomorrow as an Opposition Day.

In terms of the business for the Monday on which we return, October 21, I would ask the indulgence of the opposition parties so that we might have the usual discussions tomorrow to find out what would be the most appropriate pieces of legislation to deal with on the first few days we are back. We will endeavour to get that solidified so that we can communicate it to members before they go for their holidays in the Bahamas or wherever else they are going for the break.

Mr. Speaker: We may want to return to this in just a moment.

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PRESENCE IN GALLERY

Mr. Speaker: I know that hon. members would want me to recognize the presence in the gallery of a foreign minister of a friendly and long-standing ally of Canada, the Foreign Minister of Denmark, His Excellency Usse Ellemann-Jensen, who is here, I might say, in the Royal visit of Her Majesty and His Royal Highness of Denmark.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

• (1510)

[*English*]

THUNDER BAY GRAIN HANDLING OPERATIONS ACT

MEASURE TO ENACT

House in committee on Bill C-37, an act to provide for the resumption and continuance of grain handling operations at Thunder Bay, Ontario—Mr. Danis—Mrs. Champagne in the chair.

Clause 2 agreed to.

On Clause 3—*Definitions*

Mr. Robert D. Nault (Kenora—Rainy River): Madam Chairman, I would like to move an amendment to clause 3, page 1 line 2 by inserting the word "board" after the word "arbitrator".

This is to follow suit with my amendment that I will be making to clause 8 which simply reflects the interest of my party.

For the minister's information, I have already given him a copy of this particular amendment. It is the interest of our party to have an arbitration board versus an arbitrator-mediator. The reason for that is simply that we believe that the circumstances in this case warrant the changes to the normal process and procedures of an arbitrator-mediator.

Due to the technical expertise necessary in this particular issue of pensions, we would request the minister and the government to support this amendment. We believe it would help both parties come to a resolution of the issue. In the long term, it would help both parties to understand the job security difficulties in the port of Thunder Bay, the job loss and also the direction that particular industry will be taking in the long-term.

The job security and pension issues are two of the fundamental issues that the company has refused to negotiate so far. I would ask the minister to support this particular amendment. I also suggest very strongly that the ability of this particular amendment to follow through would make the union much more secure in its fight to have this particular issue dealt with.

Hon. Marcel Danis (Minister of Labour): Madam Chairman, I thank the hon. member for Kenora—Rainy River for giving me a copy of his proposed amendment earlier today.

I have looked at the amendment very, very carefully. I realize as he and the hon. member for Churchill do that the issue of pensions appears to be the main stumbling block in this dispute.

I do believe that the bill as drafted now can meet the concerns of the union leadership. Obviously, they would like to have a fair opportunity to make their point known concerning the pension issue to the mediator-arbitrator.

The hon. member knows that the person whom we plan to appoint, of course, will be a fair person. I would hope that I would be in the position to appoint someone with a background in pension issues if possible.

Were that not to be the case, however, I can assure my friend from Kenora—Rainy River and my friend from Churchill that whoever is appointed will certainly get all the financial resources necessary to have whatever study he or she wants made on any pension issue. I can assure my friend of that.

With that assurance, I would hope that my friend would be satisfied that the government will make sure that all the concerns of the union are taken care of with regard to pensions.

The Chairman: If I may for a moment, we were taking into consideration the amendment as presented by the hon. member.

Please help the Chair here. He says that clause 3 be amended at page 1, line 2. I would imagine that the hon. member means clause 3. Yes, it is page 1, but could it be line 20 instead of line 2? After "mediator-arbitrator", he would like the word "board". It is line 20 and not line 2, correct?

We will come back in a minute with that.

Mr. Nault: Thank you for correcting me. That is exactly what we meant.

While we wait to see if the amendment is in order, I would like to ask the minister if he would explain to us

what seems to be the difficulty with him accepting the amendment.

He has suggested to us in his response about the particular necessity to have an arbitrator-mediator who is capable of dealing with the very technical issue of pensions and job security, but he did not go that step further and explain to me what difficulty he would have with an arbitration type board or panel with the ability of the company and the union to have their own expertise at the table to explain in detail so we will not have to feel that even though it is not possible for the Minister of Labour to get someone with the capabilities, we will have that issue dealt with because it is the main stumbling block in the whole affair and, it seems to me, the reason why the strike is in process at the moment.

It is not good enough to suggest that it is hoped that we may get someone who is capable because that is very difficult to do. Those of us who are familiar with labour negotiation will quickly tell you that to be involved in the pension issue is a very complicated subject. As much as I think we have very capable arbitrators and mediators in this country, I feel that that expertise is very much necessary in order for us to get some long term stability to that port of Thunder Bay.

I ask the minister again, as a direct question, what seems to be the reasoning behind his reluctance to allow this amendment to go forward?

Mr. Danis: Madam Chairman, there are two reasons I do not support the amendment proposed by my hon. friend. First, I believe it would be extremely difficult for the mediation part of Bill C-37 to proceed with three mediators in a dispute dealing mainly with one issue. Second, I know that the pools and the unions will have a full opportunity to make their cases known to the mediator-arbitrator, whomever she or he may be.

With those two assurances, I would hope that my hon. friend would then withdraw his proposed amendment.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Chairman, my question for the Minister of Labour is this. As the minister knows, the amendment is being put forward in very good faith. The minister has indicated on the floor of the House that both parties will have an opportunity to present their respective cases. I suggest to the minister that the distinction that he must draw between a single arbitrator and that of a board is the following: representatives will have an opportunity to present their cases but I would conclude that with an arbitration board with representatives from respective parties, this will be able to facilitate the arbitrator in coming to a decision which is much more equitable, fairer, and more than likely will be more expeditious in the process. That is what the arbitration board can do.

We have seen arbitration boards facilitate that process in a host of labour disputes, both with the public sector and the private sector.

The minister is shaking his head. I ask the minister to reflect very carefully on the substance of the amendment which is being offered, the fact that it is being offered in good faith, knowing full well that at least one of the parties, if not both of the parties, would prefer a board as opposed to a single arbitrator.

• (1520)

I think the minister will want to reflect on the fact that the onus being put on a single arbitrator, particularly as it relates to a very fundamental issue of this particular dispute, is somewhat onerous. It can be lessened by having the board which would then facilitate the process expedite the process and reach a fair and equitable decision. I would hope the minister would not discount the substance of the amendment, the way in which it has been offered, and perhaps he might want to reflect on it again.

Mr. Danis: Madam Speaker, my first comment would be to say publicly that I do believe that the amendment brought in by the member for Kenora—Rainy River was done in good faith. That obviously is true and I really believe that.

Second, the hon. House leader for the Official Opposition said that the settlement should be equitable and fair. We agree with that too.

Third, my hon. friend, the opposition House leader, seems to want to rely a lot on the arbitration part of this legislation, I believe in the mediation part of it. I fail to see how three mediators can achieve the settlement that we want. I have absolutely no concerns whatever that this union and management have all the means possible to get their positions known to the parties.

My hon. friend, who is one of the best lawyers in this country, if he were hired by the union or management to plead the case in front of a mediator-arbitrator, would I am sure he do a good job. Why do they not do it?

Mr. Rod Murphy (Churchill): Madam Chairman, I also would like to support the amendment suggested by my colleague in the Liberal Party. Earlier today I indicated that I believe a three person panel makes a lot of sense. I spoke about my own experience on both the employee and the employer side with arbitration boards. I know that they work well. They provide that in-depth knowledge, local knowledge that is quite often necessary to get long term settlements, especially to disputes which occur on a fairly regular basis, such as that in the grain handling industry.

My concern is with the legislation itself, with the very term mediator-arbitrator. The minister in his rejection of the amendment said: "A three person panel may deal well with the arbitration but does not deal well with the mediator part of that title".

I would like to say to the minister, and I have said it before to previous Ministers of Labour, that I think the labour department is making a mistake in combining those two titles. They are very distinct roles. I am sure that the minister and his officials who are in the House to assist him today recognize that when the two parties are dealing with a mediator, they quite often would say things they will never say to someone who is going to be in a position to arbitrate later on.

It makes it very difficult for the mediation role to succeed if that same person is going to be sitting in judgment as an arbitrator later on. To explain further, if you are a party in negotiations and you are using the services of a mediator, you will quite often say: "if the employer will just move in this area, we are quite willing to draw back over here". You may say: "This is our bottom line on this particular issue". You say a lot of things in confidence to a mediator in an attempt to reach a settlement.

If that same person is going to be sitting in judgment, and this legislation says that if mediation fails then that same person must make an arbitration ruling within 90 days, then it is very difficult for the two sides to sit down and treat that person as a mediator.

They are always going to be looking at the arbitrator half of the hat. They have to. They have to protect themselves. I am wondering if the minister would get up and explain why the government always combines these two roles into one, especially in this particular case in which we know that the director of mediation services unfortunately was not able to spend very much time in Thunder Bay before the negotiations broke down.

Would it not have been much better had these two roles been separated and two different individuals appointed, one to deal with mediation and a different person, or group, to deal with the arbitration?

Mr. Danis: Madam Chairman, I must tell my hon. friend from Churchill that the system of mediation arbitrator has been used many times in the past. It has even been used on a voluntary basis by people in that industry on the west coast.

My friend will recall that, unfortunately, recently we have had to have back to work legislation for the grain handlers on the west coast and the same system was used of the mediation arbitration. When I did appoint the person in question I understand that both parties, even though both may not have been satisfied that the back to work legislation was passed, were satisfied with the person who was appointed and the system that was used.

I do believe that when the parties deal with the mediator in his or her position as mediator knowing that in the end that person may have the final say, the parties may become more rational and we may get a decision faster.

Mr. John Brewin (Victoria): Madam Chairman, if I could just pick up on this point, this may be jumping ahead to clause 8, but perhaps we can squeeze the point in here because of the way the discussion has begun.

If the mediator or the mediator-arbitrator, begins his work or her work, and the parties find that the system of shifting to become an arbitrator is going to impede the work of the mediator-arbitrator as a mediator, does the minister read the act to provide him with the authority of replacing the mediator-arbitrator with another person to cover the arbitration part of it later on? I appreciate that the powers would remain the same in the person, but if the parties came to the minister and asked for a change part way down the road, would it be possible for that to take place?

Mr. Danis: Madam Chairman, the person who would be appointed by the government would be the person who would take the issue theoretically in 48 hours up until the end.

I can tell my friend that the parties can now—we talk about the first phase on mediation—if they want, negotiate and reach a settlement. Nobody has to wait for us to pass the legislation. We do not have to wait for the other place to approve it. We do not have to wait for Royal Assent or proclamation.

The parties can, if both of them are in good faith and want to negotiate, do that. Once the government proceeds, if the House and the other place agree to go ahead with Bill C-37, then there would be an appointment made by the government and that person would see the matter through to the end.

Mr. Brewin: If I could just follow up on the point I made. Both my friend from Churchill and the minister in their initial exchange made good points. That is to say there are occasions when the role of arbitrator interferes with the role of mediator and therefore that may not work.

Equally, the minister made a good point in saying that frequently it does work.

All I was seeking was some assurance from the minister that if as this process begins to work itself through with the mediator-arbitrator initially trying to act as a mediator, and if all of those participating come to the conclusion that they need to go to arbitration, and the mediator-arbitrator has somehow spoiled his or her role by acting as a mediator, does the minister contemplate at least the possibility of appointing someone else to complete the job?

• (1530)

Is that open in this legislation? All I am asking now is, does the legislation bar that happening or does the legislation at least leave that open, and should everyone, including the minister, see it as a useful idea?

Mr. Danis: Madam Chairman, my hon. friend is either being very hypothetical and theoretical, or being very pessimistic. Unlike my hon. friend, I do believe that has been tried on a number of occasions, unfortunately, before. It has worked.

My friend paints the absolute worst case scenario in a situation like that. If that ever came about, I would think that whoever would be in this position would resign the position and then I would appoint somebody else. That is absolutely the worst case position which I am not even contemplating.

Mr. Nault: Madam Chairman I wonder if the minister and members of the other parties would be disposed to allowing clause 8 to be put forward with the amendment we were going to propose, which is what we seem to be talking about in this instance. We could then get into substantive debate about clause 8. I think that is what we are talking about now.

I did suggest the particular wording, which was on clause 3 at page 1 of Bill C-37. I wonder if we could do that now so that we could continue with the discussion. There are a few issues I want to bring forward but it is more appropriately done in clause 8 than it is running around here in clause 3.

The Chairman The hon. member may want to table the amendment he has for clause 8 at this time and we can look at it.

The problem I have is that there is already an amendment that has been not officially put to the House, but there is an amendment there. The way we accepted it was that if in the definitions at line 21 "mediator-arbitrator" means the mediator-arbitrator board appointed pursuant to subsection 8, then it would automatically be added for concordance. This was why I did not think we were out of order in discussing the matter which will come up in clause 8.

If there is unanimous consent to stand on clause 3 at this time and go to clause 8. I am quite prepared to call clause 8.

Some hon. members: Agreed.

On Clause 8—*Appointment of mediator-arbitrator*

Mr. Robert D. Nault (Kenora—Rainy River): Madam Chairman, I want to get back to clause 8 because that is really what we are involved in here.

I want to assure the minister, and maybe it is possible for him through his officials and himself to assure the parties, that the important issue of pensions and job security for the purposes of this legislation will be one of the most fundamental issues talked about and that the individual or the individuals who will be appointed by the minister through this process will have the expertise.

There are two ways we can do that. We can do that by simply creating the board to which I am referring in clause 8.(1), or we can amend Bill C–37, clause 8 at line 24 by adding after the word "agreement" the words "and resources for pension/job security purposes."

I have not given the minister the other amendment, which is the alternative to my whole argument which is that perhaps we can somehow insert for purposes of this whole discussion that we can be assured that the resources will be available. By resources I mean the individuals with the necessary expertise to work with the arbitrator–mediator in order to secure the kind of discussion that is necessary to come to some sort of consensus by the three parties involved, the government, the union and the employer.

I will put forward my amendment to clause 8 which reads:

> That Clause 8(1) be deleted and the following substituted therefor:
>
> 8.(1) Within 48 hours after the coming into force of this act, the employer shall appoint one member and the union shall appoint one member, and thereupon the minister shall appoint a chairman of the mediator–arbitrator board, and the minister shall refer to the mediator–arbitrator all matters relating to the amendment or revision of the collective agreement that at the time of the appointment remain in dispute between the union and the employer.
>
> Provided that should either the union or the employer fail to appoint a member within said 48 hours, the minister may forthwith appoint such member in the place and stead of the said union or employer as the case may be.

I put forward that amendment and I also would like to put forward one other amendment. It is simply for the minister's perusal and for the other members.

Hopefully, I have the right line this time. I suggest it is line 22 and it is 8(1), after the words 'collective agreement'. It says: "Clause 8(1), line 22, add after the word 'agreement': —and resources for pension job security purposes that, at the time of the appointment, remain in dispute between the union and the employer".

That gives us an assurance within the legislation that we will deal with this particular piece of legislation.

I do not know whether it is appropriate and I ask for your indulgence, Madam Chairman, again to give me some guidance here. Is it possible to suggest two amendments to the same issue by the same member? There seems to be a bit of a contradiction in terms. I wonder whether you could explain that to me before I officially submit this one.

Should I debate the one I have already submitted first, and then get into this one at a later date?

The Chairman: What the Chair suggested to the hon. member earlier was to please table those amendments with us so we could read them very carefully and then decide whether they are receivable.

We should have the first one back within a second. We had some photocopies made for the minister and for the Table. If I understood correctly what the hon. member has suggested, the second amendment would come if the first one had been agreed upon or negatived.

It is a bit difficult at this time for the Chair until we have both amendments in front of us. If the hon. member would be kind enough to allow us to have a look at both amendments, then maybe the Chair could help the House. In the meantime, I am sure that members and the minister will want to study the proposals as made by the hon. member.

Mr. Nault: Madam Chairman, I am not attempting to confuse the issue but it is the minister's belief that having a board or panel will make it more difficult for an arbitrator who has been appointed and I have given him another suggestion.

The final amendment that I have put forward to you suggests that we can add the ability for the arbitrator–mediator to have the efficient resources necessary. By "resources", I mean it was within his rights to bring forward pension expertise acceptable to both sides and that will allow us to get at the table with the parties involved a legitimate discussion on a very complex and technical issue.

I would be interested if the minister would confirm whether he would be willing and able to allow that type of an amendment to go through which would assure the union and the employer that particular issue, which is foremost in our minds, would be looked after.

Mr. Danis: Madam Chairman, I do agree that all the resources, financial or otherwise, should be made available to the mediator-arbitrator to deal effectively and fairly with the issues of pension and job security.

• (1540)

I do agree with that and we all agree with that. We also agree, and I said so in the speech at second reading stage, that all issues are on the table for the mediator-arbitrator. I do not believe, with respect to my hon. friend for Kenora—Rainy River, that it is necessary to put that in the legislation.

If my friend wants to make sure that the mediator-arbitrator is aware of that, I will, at the same time as a letter of appointment, send today's debate with a letter of appointment to the mediator-arbitrator, but I do not think I need to do that. It is obvious that the mediator will get the resources and will deal effectively with those issues.

Mr. Murphy: Madam Chairman, I would like to take the minister up on his offer of having today's debates sent to the person he will be appointing as mediator-arbitrator.

I think it is very important when someone receives this appointment that he or she is aware of what is expected. It has been very evident in the debate that has taken place today that all three parties have indicated they believe the issue of pensions must be dealt with. That does not say what the arbitrator will rule if he or she gets forced into that situation, but it does mean that it has to be dealt with.

I really hope that the Minister of Labour will go the extra mile to find an arbitrator who is knowledgeable about pension plans and is able to make the appropriate judgments on this very important issue. I hope he can find such a person. I know it may be difficult, but I think it would be well worth the search because as we all know, those of us who have ever dealt with pension plans, it can become very confusing. If someone is not aware, the best advice may not make that person feel very comfortable in writing an arbitration board that would adequately deal with the issues that we are talking about.

Failing that, it certainly is necessary to make sure that the arbitrator does have all the necessary resources, consultants and information in front of him or her to be able to make that judgment.

I would ask the minister not only to table the debate or give the debate to the mediator-arbitrator, but to go that extra step. I would hope he would reassure the House yet again that he would do that.

Mr. Danis: Madam Chairman, I can assure my hon. friend from Churchill that all the resources will be made available to the person who will be appointed as mediator/arbitrator in the dispute and that it will be made known to that person that all issues are on the table.

I agree with my hon. friend from Churchill and I will send a copy of today's debates to the person at the time of appointment.

The Chairman: The Chair will be with the committee in a minute. We are still studying the amendment proposed to clause 8. Can I be given a few more minutes, please?

Mr. Murphy: Madam Chairman, maybe this would give me an opportunity to say something about the process of negotiations and the very fact that we in the House of Commons are now being asked by the government to pass back-to-work legislation. The three parties have mentioned the fact that pensions will be one of the areas that the mediator-arbitrator looks at. It is ironic that this is an issue that the employer refused to discuss at the negotiating table over the last period of time.

It is further ironic that it was only yesterday afternoon that issue actually got to the negotiating table. I find it ironic that here we are basically telling a mediator-arbitrator that he will be expected to do that which the employer would not do. He or she will be in a situation to deal with something that the employer should have put on the negotiating table. I am not going to tell the employer what he should have offered in terms of pensions. I do not think that is our role. It would have solved a lot of problems. It may have prevented a strike had the employer been willing to deal with this at the negotiating table.

It is ironic when I think back about the remarks made by the Prime Minister, the Minister of Agriculture, the Minister of State for Grains and Oilseeds, and some of the Conservative backbenchers who kept getting up in this House and telling the workers to go back to work. Not one of them suggested that perhaps the employer should put the issue of pensions on the negotiating table.

We heard speech after speech, snide comment after snide comment by Conservative members but not one of them suggested that the employer should negotiate on all the issues. If that had happened we may not be debating this legislation at this time.

Mr. Danis: Madam Chairman, of course I cannot speak on behalf of the employer and I do not speak on behalf of the union either. I must tell my friend that on Friday last week and Monday this week I did contact both sides. I had a full and frank discussion with the representative of the pool, the attorney in charge, and made it known to the attorney that when they met the person who eventually turned out to be Mr. Edmondson I wanted some flexibility on the part of both sides and I wanted all issues to be brought to the table.

I understand now that in fact all issues were put on the table yesterday. I think an effort was made in good faith by both parties.

Mr. Murphy: Madam Chairman, in fairness, I was not including the Minister of Labour when I was attacking various Conservative cabinet ministers and various Conservative MPs for always referring to the employees' role and saying the employees should get back to work and never looking at the employer's side of the situation. I believe he was conducting his role as he should, dealing with both parties. I was referring to other members of his cabinet and caucus who only seemed to look at one side of the issue and perhaps were are not aware that the sticking point, the major issue, was pensions and that it was the employer who was refusing to negotiate that.

I want to make sure that the House understands that I was not impugning any motives to the Minister of Labour.

The Chairman: The Chair has looked very carefully at the amendment moved by the member for Kenora—Rainy River on clause 8(1). I cannot find it in order. The bill as approved by the House at second reading allows the minister to appoint a mediator–arbitrator.

The amendment would take some of that power away from the minister because the minister could not in a way name that person. We must go back to the first amendment that the member presented that dealt with the definitions. and said that mediator–arbitrator means the mediator–arbitrator board appointed pursuant to subsection 8(1). The minister could then be somehow allowed to name a board instead of one person, so this could be acceptable.

At this time it really is a new concept that there would be three people and that two other people would be part of the mediator–arbitrator and form a team. The minister would not have the ability of naming those people. This is a brand new concept that was not in the bill at second reading.

It goes really beyond the scope of that clause. Therefore, the Chair has no choice but not to receive this amendment.

• (1550)

Mr. Nault: Madam Chairman, I do not propose to debate with the Chair as to whether or not it is in order simply because I cannot.

An hon. member: Go ahead.

Mr. Nault: Oh, can I? If I can debate it I will. One of the problems that I foresee with the argument that has been put by the Chair is simply that it changes the scope of the whole bill and that is not necessarily true. The principle of back–to–work legislation and the principle of having an arbitrator or an arbitration board is to have someone to mediate a dispute. We have not taken that ability away from the arbitration process, and we have not taken that ability away from the Minister of Labour.

The Minister of Labour will still have the ability to appoint on the government's behalf a mediator–arbitrator. All I am suggesting is that the mediator–arbitrator process be extended to include two more people.

Therefore, if that were the case, the principle in essence of the bill has not been changed whatsoever. We are just expanding on the abilities of the mediator–arbitrator process to have more expertise within its process.

I for one am a little confused as to why the Chair would feel that it has changed the principle and the abilities of the minister to appoint the mediator–arbitrator because it has not. Indeed he still has the same abilities he had before the amendment. The only difference is that he is also allowing both sides of the dispute to nominate an individual who will participate with the chairman of that board, which is the arbitrator.

I do not see how that could simply change it. I certainly would be interested in knowing from the Table why it is that it senses it has changed the whole process.

The Chairman: What the amendment would do is allow the minister to name the chairman of that board. The board itself is not in the bill at second reading. Bringing the board in itself is a new concept that goes beyond the scope.

The hon. minister could then only name the chairman of that board. This is where the Chair sees that it brings in a new concept and it goes beyond the scope of the clause.

But, as I have told the hon. member, we are now in committee and I am just Chairman of this committee. He can of course appeal to the Speaker to rule on my judgment of this amendment. At this time I do not see how we can accept this amendment.

One more thing that may be helpful to the hon. member is that it is not so much the board concept as the fact that it is taking the power of appointing away from the minister. If the minister were appointing the three people—this is what the bill said at second reading: "The minister shall appoint a mediator- arbitrator"—the other people involved would not have been appointed by the minister and this is where it goes beyond the scope of the clause as accepted at second reading.

Am I being clearer to the hon. member?

Mr. Nault: Madam Chairman, let me assure you that if you read the whole amendment it suggests that the minister does indeed have the power to appoint those members.

The fact remains that unions will make the appointment of their particular individual but under this amendment the minister still has to accept that individual.

I get the impression by the discussion I have had with the minister and with the opposition on the other side, not so much the opposition over here, that it is not going to be accepted by the minister anyway.

I do not know whether we want to continue on with this debate at length now or maybe at a more appropriate time.

I would be most interested in asking the Chairman to rule on it, but how long would that take?

The Chairman: It could take maybe half an hour, I do not know where the Speaker is at this time, for him to be briefed on what the amendment is. Please bear with me for a moment.

The hon. member for Kenora—Rainy River says that it is not taking any power from the minister. What the amendment he proposes says is that the union shall appoint one member, the employer shall appoint one member and then the minister shall appoint a chairman. It is taking away from the power that the minister has in the bill as accepted at second reading.

This amendment can really not be accepted.

Shall we revert to clause 3?

On Clause 3—*Definitions*

Madam Deputy Speaker: There is the original amendment on clause 3, the amendment moved by Mr. Nault which said:

> That clause 3 be amended on page 1, line 21, by inserting the word "board" after the word "arbitrator".

Is it the pleasure of the committee to accept this amendment?

Some hon. members: Agreed.

Some hon. members: On division.

Amendment (Mr. Nault) negatived.

Clauses 3 to 7 inclusive agreed to.

On Clause 8—*Appointment of mediator-arbitrator*

The Chairman: On clause 8 the first amendment was not deemed receivable. We have a second amendment moved by Mr. Nault which says: "Clause 8.1, line 24, after the word 'agreement' and resources for pension and job security purposes that, at the time of the appointment". I must say the Chair has a certain difficulty with trying to fit the amendment within the paragraph. Can the hon. member for Kenora—Rainy River be of some help to the Chair?

Mr. Nault: What I am suggesting is that after "collective agreement", I will read it for you:

> 8.(1) The Minister shall, after the coming into force of this Act, appoint a mediator-arbitrator and refer to the mediator-arbitrator all matters relating to the amendment or revision of the collective agreement—

And added in there is:

—and resources for pension and job security purposes. And at the time of the appointment, remain in dispute between the union and the employer.

• (1600)

Mr. Danis: Madam Chairman, if I may speak on the proposed amendment by my friend from Kenora—Rainy River, the powers given to that person would be the following ones.

In the Canada Labour Code, Part I, section 16, a person would have the powers:

—to summon and enforce the attendance of witnesses and compel them to give oral or written evidence on oath and to produce such documents and things as he or she would deem requisite, with a full investigation and consideration of any matter within its jurisdiction.

I feel that the law, as written now in Bill C–37, takes care of the concerns raised by my hon. friend, and therefore I see no need for the amendments, however well intentioned they may be.

Mr. Nault: Thank you very much, Madam Chairman. One of the reasons we wanted this particular assurance put into the legislation is simply that we are convinced, at least in the discussions that I have had, that with the limited amount of knowledge that an arbitrator–mediator will have in the area of a very technical subject, that being pensions, there should be added resources for that particular subject.

One of the reasons I am suggesting that in there is because if the company or the union wanted to allow the individual we suggested to take time off work, there would be added resources for that kind of situation. I am not convinced that under the legislation that we have now the individual with the expertise that we are talking about will have the opportunity to avail himself or herself of this whole process on a continued basis simply because of the fact that so far, as we have had the discussion, we cannot get both sides to talk about the issue at all.

I am quite worried that over a period of time, the month or so we will be involved in this issue, there will be added costs to that whole process. I cannot understand why the minister would feel that adding such simple words would affect at all the process in allowing us to feel assured that, in this sense, the whole issue that we are dealing with, which is pension and job security, will have the resources necessary to be dealt with in its total form. I am not quite convinced the minister is aware of just how difficult this whole process is and how complicated it can be and how much time it can take. If he can assure us that is the case, then again, I do not see any reason why he would not allow that small half sentence to be inserted in the clause.

Mr. Danis: Madam Chairman, I give my complete commitment that the person who would be appointed once this bill is proclaimed would have the full and necessary resources to investigate or deal with any and all issues in dispute. My friend knows there is no way you could possibly settle this dispute unless you have an agreement or a decision of an arbitrator on the pension issue.

I am confident that the person will get all of the resources available and will also have all the powers available by section 16 of the Canada Labour Code, and will be a fair and knowledgeable person as far as possible.

Madam Chairman: Shall the amendment carry?

Some hon. members: No.

The Chairman: Negatived on division.

Amendment negatived.

Mr. Peter Milliken (Kingston and the Islands): Madam Chairman, I would like to move a further amendment to clause 8. I move:

That clause 8.(1) be deleted and the following substituted therefor:

Within 24 hours after the coming into force of this act, the employer shall nominate one member and the union shall nominate one member and thereupon the minister shall appoint a chairman of a mediator–arbitrator board and the minister shall refer to the mediator–arbitrator all matters relating to the amendment or revision of the collective agreement that, at the time of the appointment, remain in dispute between the union and the employer. Provided that should either the union or the employer fail to appoint a member within the said 24 hours, the minister may forthwith appoint such a member in the place instead of the said union or employer as the case may be.

The Chairman: The Chair has very much difficulty with the amendment as presented by the hon. member for Kingston and the Islands. The committee has rejected the amendment presented in clause 3 which presented the possibility of it being a board. This was rejected in clause 3. I have very much difficulty going back to this principle of it being a board even if it is such that the minister appoints and the union and the employer nominate.

Maybe the hon. member can tell me how, once we have turned down the possibility of a board in clause 3, I can now go back on clause 8 and accept it.

Mr. Milliken: Madam Chairman, clause 3 does not appoint the board. Clause 3 is merely a definition clause in the bill. The amendment to clause 3 was moved solely for the purpose of making it clearer what was meant if clause 8 were to be subsequently amended and it was drafted on that basis. In other words, had the amendment in clause 8, which is the substantive amendment, been adopted it would have clarified the bill to amend clause 3, but not the other way around. Clause 3 need not be amended just because in clause 8 it is a board. Clause 3 defines, I believe the term is mediator-arbitrator. Clause 8 still refers to mediator-arbitrator, it is just that it happens to be a board if this amendment to clause 8 is adopted. I submit that it is in order on that point.

I draw the Chairman's attention to the fact that amendments may be made to bills at this stage and that the amendment is relevant to the bill. I submit that it is not inconsistent with or contradictory to the bill insofar as it is agreed to by the committee because the clause 3 amendment, which has been rejected, was an amendment only to definitions, as I have said, and clause 3 could be left as is and it would still make sense given this wording. It is simply that it would have made it clearer and the amendment was drafted on that basis.

The Chairman: Mediator-arbitrator, as I see it, is in the singular and not in the plural. I guess we could give the hon. member the benefit of the doubt on that.

• (1610)

Mr. Milliken: Madam Chairman, citation 698 of Beauchesne's states:

> (5) An amendment which is equivalent to a negative of the bill, or which would reverse the principle of the bill as agreed to at the second reading stage is not admissible.

I submit that this amendment does not violate the principle of this bill which is to provide for the termination of this strike by way of mediation or arbitration, nor is it a negative of the bill. It is supportive of the principle of the bill which simply provides that instead of a one-man arbitrator, which I presume is contemplated by the current bill, there would be a three-person board of arbitration.

I submit that within the parameters of citation 698 of Beauchesne's sixth edition this amendment is in order.

The Chairman: At no time did the Chair let it be understood or pretend that the amendment was changing or reversing the main terms of the bill. What the Chair said is that we felt that the amendment went beyond the scope of the bill and it was a new concept.

What I would suggest now, which might be the easiest way, is to accept the amendment. I will put it to the House and we will see what happens then.

Shall the amendment carry?

Some hon. members: Agreed.

Some hon. members: No.

The Chairman: I declare the amendment negatived. Shall clause 8 carry?

Some hon. members: Agreed.

Clause 8 agreed to.

The Chairman: Shall clause 9 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 9 agreed to.

The Chairman: Shall clause 10 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 10 agreed to.

The Chairman: Shall clause 11 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 11 agreed to.

The Chairman: Shall clause 12 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 12 agreed to.

On Clause 14—*Coming into force*

Mr. Murphy: Madam Chairman, clause 14 is a new clause. It is not the normal clause that we have in back-to-work legislation.

We were not given any warning that the government would be changing this particular clause. Normally there is a guarantee with regard to back-to-work legislation that the employer and employees will have at least 12 hours after the act is proclaimed.

It was just last week that we had the situation with regard to the Public Service Alliance strike that the Senate, in its rush to pass the legislation, did so at five or six minutes to eight o'clock in the evening.

The President of the Treasury Board was on the air saying he expected people to be back at work at eight o'clock the next morning. He gave them 12 hours and six minutes, or something of that nature.

Of course that created great confusion because there was no way that a lot of people would even know that the Senate had passed the legislation at five minutes to eight o'clock in the evening.

I should point out that I was one of those people. I was called by some people who said: "When do we have to report back to work?" I did not know exactly when the Senate had passed the legislation.

There are absolutely no restrictions in this new amendment. There is not even a guarantee of 12 hours. It is quite possible that if the Senate in its rush tomorrow passes this legislation at four o'clock in the afternoon, the cabinet could say: "We want you people back at work one hour hence".

It was not that long ago that we guaranteed people 24 hours before they had to return to work. Then the last legislation said 12 hours. Now there is no given time, no minimum time. I suspect that the minister might get up and give assurances to this House that he will not do anything nefarious or he will not use the store alarm that the President of the Treasury Board tried to use.

On the other hand, I would not like to see this clause, even if we get assurances at this time, used in the future. It gives too much power to the government with absolutely no guarantees that either the employees or employers will have adequate information and adequate time to do it as required.

Mr. Danis: Madam Chairman, after the convincing argument of my friend from Churchill, I would be ready to move the following amendment. I hope my friend from Churchill will never say there is no co-operation in this House.

The amendment would be the following one:

That clause 14 of Bill C-37 be amended by striking out lines 19 to 21 on page 5 and substituting the following:

COMING INTO FORCE

14. This act shall come into force on the day immediately after the day on which this act is assented to, but not before the 12th hour after the time at which it is assented to.

• (1620)

Mr. Murphy: Madam Chairman, sometimes you do not want to accept surrender.

I am encouraged that the minister has reinstated the normal clause. I would only ask in accepting this clause that he also assure that because we are not talking about a large number of work sites and that we are talking about one city, a limited number of employers and one bargaining unit, they would be given adequate time.

If for some reason the act received Royal Assent at some weird hour of the night, people should not be surprised, there should be adequate time allowed and we should not go through the charade we went through last week with the Public Service workers.

Mr. Danis: Madam Chair, I can certainly give my word to my hon. friend that no one will be taken by surprise.

The Chairman: Shall the amendment carry?

Some hon. members: Agreed.

Amendment (Mr. Danis) agreed to.

The Chairman: Shall clause 14 as amended carry?

Some hon. members: Agreed.

Clause 14, as amended, agreed to.

Schedule agreed to.

Clause 1 agreed to.

Mr. Murphy: Madam Chairman, I have a bit of a problem. I know when you are sitting in the chair at the table, you do not have the same view as you have when sitting in the Speaker's chair. Sometimes I have been up and you have gone on without noticing that I have been standing waiting to speak.

The short title reads:

This act may be cited as the *Thunder Bay Grain Handling Operations Act.*

I wonder if, since the Minister of State for Grains and Oilseeds was the one who announced that this legislation would be coming down, not the Minister of Labour, the government would be willing to have the title named after the Minister of State for Grains and Oilseeds. Perhaps, if the Minister of State for Grains and Oilseeds feels that he is the one who announces labour legislation, the government would also be willing to look at further legislation combining the two portfolios with only one minister.

The Chairman: And I was about to apologize to the hon. member. I guess we can both talk about our sense of humour.

Title agreed to.

Bill reported.

[*Translation*]

Mr. Danis moved that the bill be concurred in.

[*English*]

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

Mr. Danis moved that the bill be read the third time and passed.

He said: Madam Speaker, as we near the last stage of this bill in the House, I would like to thank the members of the House for their co-operation in enabling the government to pass this legislation as rapidly as possible.

I said in my earlier speech at the second reading stage that it is not with pleasure that any labour minister has to bring in back-to-work legislation. We feel it is necessary at this time for the economy and we feel it is absolutely necessary for the farmers of western Canada that the grain move.

Having said that, however, I would hope that the parties would take advantage of the opportunity they still have through mediation to reach a settlement through the normal collective process. I urge them both to negotiate in good faith and try to reach a settlement before the bill is proclaimed.

Having said that, I would like to thank members of the House for their co-operation.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I first apologize for not being a participant in this debate up to this point. Unfortunately I was attending a grain conference in Winnipeg when we found out at about two o'clock this morning that the assessment officer whom the Minister of Labour had sent to Thunder Bay to meet with both sides had failed to get both parties to agree on some form of a settlement and as a result the legislation that is before this House would be introduced this morning. Since it is very important to the grain industry in Thunder Bay I thought it my duty to return from that conference and attend to make some comments this afternoon with respect to this legislation.

Not to detract from what the minister has just stated and not to delay the passage of the bill, I want to assure him of that, but the remarks I am going to make concern some of the issues that affect the people who work in the grain industry in Thunder Bay.

During this whole unfortunate process I have spoken several times to both parties that were intimately involved in trying to reach a settlement. I think I should on their behalf explain to the House, and through the House perhaps to the people of Canada, the very issues that have stopped the flow of grain through the port of Thunder Bay for the last several days.

At the outset I think it is important to note that the grain workers in Thunder Bay are not selfish in what they have done. As we compare the grain workers in Thunder Bay with the grain workers in Prince Rupert and Vancouver, the grain workers in Thunder Bay are making something like $2.50 less an hour than their colleagues in Vancouver.

Coupled with that there is also the fact that the grain workers in Thunder Bay work approximately a six-month year, whereas their counterparts work up to a ten-month year. We can see that there is a substantial difference in the annual take-home pay of people who work in the same industry moving the same type of grain and, as I am told today, moving it to the same markets that traditionally were the markets serviced by the grain industry and the grain workers in Thunder Bay.

I will just relate a few personal incidents that I think are very important.

• (1630)

First and foremost, as the day approached we saw the very fine union representative, Herbert Daniher, in complete frustration at not being able to get the companies to sit down at the table and negotiate a contract. Although we may put fine words on it, the reason they did not want to negotiate was the fact that they made a pre-condition to sitting down at the table, stating that pensions were not to be discussed.

As it stands with this legislation now, it is very evident that when the conciliator-arbitrator is appointed after the passage of this bill, the mediator-arbitrator will certainly discuss the pension issue. I am certain that he will treat those people in the port of Thunder Bay with the degree of fairness that up to now they have not been treated with.

I also think of some of the incidents that have led up to this dispute, and I say that they are incidents that affect human beings working in a community that did not have to exist. I am thinking in particular of this summer and a man named John Pino coming into my office. He had worked for 15 and a half years for Saskatchewan Wheat Pool, had not been called back to work for the 18-month period, and had received his final termination from Saskatchewan Wheat Pool. This is a family man with responsibilities and a mortgage, like all of us. After dedicating 15-plus years to this elevator complex, he was told that his services were no longer needed, and this is the unfortunate part, because the grain was moving through the port of Thunder Bay and the people working at that elevator were working double and triple time and it chose to work people double and triple time rather than calling back these people who had 14 years and 15 years of seniority.

That is not fair play and that is the reason for the frustration in the grain industry in Thunder Bay today.

I think of people who have walked through my office in the last two or three months who were involved. Baldino Iello, whom I was at a hockey game with on Saturday night in Thunder Bay, contributed over 20 years of his life to this industry and finally gave up in frustration, saying that he could not carry on in the present circumstances any longer, mainly because the equity, the quality and the way some of these people are treated are no longer tolerable.

Those are just a couple of the human elements that I had dealt with throughout the summer. I think that is the unwritten agenda that has caused the frustration and the dilemma in which we find ourselves today.

There is no question in my mind as to what is needed. I would hope that the industrial commissioner Mr. Daniher has requested and whom the minister will appoint very shortly will continue after this legislation is in place and long after a settlement is reached by the mediator-arbitrator to look at what is happening in the grain industry, particularly in Thunder Bay, with respect to justice for its people, with respect to equity between the various parts of Canada, and with respect to consideration for the contribution which those people have worked long and hard in the grain industry in Canada to give. They should not be treated in the way they are being treated.

I would hope and would suggest to the minister that I hope the industrial commissioner he will appoint will be given a broad mandate in order to look into these injustices that have been perpetrated on the grain workers at Thunder Bay for so many years.

The dilemma they find themselves in is that five years ago we had over 2,400 employees working in the grain industry in Thunder Bay. Today there are fewer than 700 people working full time.

Of those 700 people there are usually 200 or 300 off on part-time work. In a period of five years that industry has gone from 2,500 down to less than 700. That is the whole substance. In essence, that is why we are here today passing back-to-work legislation to get the grain moving.

Let me also say that there is empathy on behalf of the grain workers in Thunder Bay for the farmers in Saskatchewan and Manitoba. I would want to address that issue for just a moment. I hope that those people who are on farms in Saskatchewan and Manitoba would not look unkindly to the people who are working in the grain industry in Thunder Bay because they face the same dilemma. The hardships that they are facing in the prairies today are much the same hardships that are being faced by the people who are working in the port of Thunder Bay.

The price of wheat is not what it should be, neither are the wages. That leads me to the issues that I think are so important to bring before this House and before the people of Canada. These are the fundamental issues over which the companies have refused to sit down and negotiate on behalf of the employees who are being directly affected because of the huge loss of jobs that are happening on our waterfront. What we are trying to accomplish is just a certain amount of stability in that area of commerce so there can be planning, so they can go out and make the purchases necessary to house and cloth their families, and that is being denied to those people who work in that industry.

The issues, and we have heard the words, deal with pensions and what is called job security. I have taken those two issues, and they are almost buzzwords in the negotiating field today, and I have broken down them down into four elements with the help of my colleagues in Thunder Bay. Let me just explain for a few moments what those four issues are.

In the bargaining package they want what is called credited service. Because of the long terms of lay-offs, up to 18 months in some instances, when an employee who has worked for a considerable amount of years in the grain industry in Thunder Bay came to retire he may have 35 years of seniority but only 22 years of credited service because of the amount of time that he worked. All the employees want in this bargaining process is the ability to pay into their pension plan their regular contribution. It is not free. They want to be able to pay a voluntary contribution to their pension plan so that during the times they are unemployed because of lay-off they will be able to contribute to the pension plan and when it comes time to retire they will have 30 years of seniority, as an example, and 30 years of credited service.

When you compare this to any other industry, I do not care whether you are in mining or manufacturing automobiles or tires or working for the government, when you retire after 30 years you are usually credited with 30 years of pension. That has been denied the employees in the grain industry in Thunder Bay and that is just what they are asking for. It is that simple.

The other thing and part of the area that was not discussed was that they wanted to reduce the retirement age to 55 in order that they could bring the work force into some kind of balance, retiring those people with more seniority and bringing on fresh talent.

Presently the age is 58. I think the figure that we use is 85: the age of the individual plus the number of years of seniority. If that equals 85 they are allowed to retire. They wanted the retirement age reduced to 55. The dilemma they find themselves in is that they could not negotiate—the company refused to negotiate—the difference between age 55 and age 58. Any one of us who has bargained at the bargaining table knows that you come in with one position on the one side and the other position, you sit down, and as long as you are talking to one another you are going to arrive at some kind of a settlement. You cannot arrive at a settlement if you are not going to sit down at the table and bargain. There is not a great deal of difference between a retirement age of 55 and a retirement age of 58. I think that is a non-issue that has led to this dilemma that we find ourselves in today because of the intransigence of the company in sitting down and negotiating these areas.

• (1640)

The other area—Madam Speaker, I know you are going to say this is trivial—is the benefits that an employee receives at the age of retirement. The employee who works in the grain industry is allowed at the end of the day, after fulfilling his terms of service which equal 85, to continue on with his drug plan as long as he agrees to pay $81 a month.

During the whole process of his employment he was on a dental plan. This is the crux of the argument here. As he approaches and decides on retirement, he no longer has the option to use the dental plan or participate in the dental plan after his retirement. That is just not fair.

When a person works in a company he is used to a drug plan and a dental plan as he is used to the other benefits. One of our Crown corporations, Canadian National Railways according to yesterday's *The Globe and Mail*, is one of the least competitive railways in North American according to research done by its own accounting firm. I suggest that we look at the benefits that these people receive and compare them to the benefits that these grain elevator workers receive in Thunder Bay.

In the last issue that prevented a settlement or even a negotiating point is something that they called income protection. There is not a great deal of job security when we talk about income protection. I do not want this to be misconstrued. This is not indexing as we know it and as I understand it. I am not in the pension plan of the government.

As I understand it, government pension plans in this very House are indexed according to inflation. I know among the school teaching profession that their pension plan is indexed to compensate for the cost of living. The elevator employees in Thunder Bay have never had the benefit of indexing in their pension plan.

What they have done and what happened up until 1984 was that the company would sit down with the union at the end of the year and say: "Yes, cost of inflation". They would negotiate for the pension plan something less than the normal inflationary rate that would allow the employee who had worked for the elevator company for a number of years to live with a certain amount of dignity.

In 1984 the company said: "That can no longer be the case. From here on in, in every bargaining process, we want what is called income protection on the table and we will bargain for it every year".

In 1988 they refused to bargain income protection so that the pensions that were paid in 1984 without any increase are the same pensions that are being paid in 1991.

All the union wanted was to have a certain amount of protection to say: "Will you look at the pension plan? We do not expect indexing. We are not asking for pie in the sky, but look at the pension plan and try to take into consideration some of the increased cost of living. Try to compensate us in some way toward achieving that goal". That is all that is. I do not see a great deal of job protection in that benefit.

Those are the issues. There are four issues: credited service, reduced retirement age to 55, minimum benefits on retirement, and income protection. Those are the only four issues that have caused the movement of grain to stop in the port of Thunder Bay mainly because the companies would not sit and negotiate.

They adopted the stance: "If you want to talk about pensions, we are not going to come and bargain". That is not fair. It is not fair to the work force and it is not fair to the system of bargaining and labour negotiations that we have come to expect in this country.

Therefore, I sympathize a great deal with the workers who I represent from the city of Thunder Bay. I know my party does not normally like to accept back-to-work legislation as we have seen it in this House. Given that the companies failed to respond, to sit down and bargain, I am satisfied—and I am sure my colleagues are satisfied—that the employees will finally be able to get a fair hearing with the assistance of the mediator-arbitrator who will be appointed immediately after this legislation is passed. At least there will be a certain amount of justice done on behalf of the employees who work in the grain industry in Thunder Bay.

I hope that is the essence of what we are doing here today for their benefit.

[*Translation*]

Madam Deputy Speaker: Before recognizing the hon. member, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Don Valley East—Regional Development; the hon. member for Trinity—Spadina—East Timor; the hon. member for Timmins—Chapleau—Public Service; the hon. member for Broadview—Greenwood—the economy; and the hon. member for Northumberland—Poverty.

[*English*]

Mr. Murphy: Madam Chairman, we are in third reading. It is our intention to put up one more speaker. However, if we could get unanimous consent not to see the clock until he is finished his debate, we would appreciate it. I do not think it would be a problem but considering that it is just about 4.45 p.m., if he could have the extra time to finish his speech, we would not be putting up any other speakers and would allow the vote at that time.

Mr. Danis: Madam Chairman, of course I agree to the suggestion by my hon. friend from Churchill that after the member for Thunder Bay—Atikokan completes his speech at approximately 5.05 p.m. we would then proceed with the vote at third reading.

Mr. Nault: We concur with that.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Chairman, I thank the minister for defining a few minutes for me.

This is actually an historical debate for the city of Thunder Bay and for the port of Thunder Bay. It is the first time in 25 years that this House has found it necessary to legislate workers and/or the company back to work at the port of Thunder Bay. In the past the threat of legislation has been used effectively to force the parties to the bargaining table. This time, because of the new calendar of the House we are not sitting next week and I think the pressure was not appropriately applied in a way that would have brought forward the result of some kind of negotiations. I regret that.

I regret too the manner in which the workers in Thunder Bay have been attacked verbally by members of this House, ministers of the Crown, and representatives of certain groups in the prairies. I want to spend a bit of my time dispelling the myth that this particular strike taken by the members of the grain handling union in Thunder Bay was in some way punishing the farmers of western Canada.

We have seen headlines and news stories saying millions of dollars a day are lost because of the strike at Thunder Bay. One would assume that means that people have not been able to get the grain that they bought and therefore no money was coming into the system. We certainly know that it means that because the prairie elevators are full the farmer cannot deliver and therefore get paid. I grant that. However, in terms of the industry and in terms of the nation, two ships cleared the St. Lawrence River on October 4 and three ships cleared on October 7 carrying a combined total of 128,000 tonnes of grain that somebody was able to pick up and take to a customer. Madam Speaker, that suggests to me there has been no loss of sales. There has been no inability in this country to provide grain to its customers. Quite frankly, even if this rumoured $400 million sale to the Soviet Union is announced today or tomorrow, they are not going to be parked at Baie Comeau or Port Cartier or Quebec City tomorrow morning waiting to pick it up. Even if they do, assuming that the one million tonnes that is in storage in those downstream elevators is the right kind of grain, they could pick up some grains. So that we have not lost existing sales, we have not in any way impacted on our customers. And yes, some customers might want to wait to see how long it would take for the dispute to be resolved, but all they have to do is look back in history to know that in situations like this when there is a lot of grain to move that at the most it is one or two weeks.

• (1650)

The other thing that people have to know, Madam Speaker, is that Thunder Bay has a remarkable ability to rebound. We were only scheduled to get 1,500 to 2,000 cars a week coming in from the prairies. We can do 6,000 a week without any question. We have been able to do much more than that. So we could recover very quickly. And if this legislation receives Royal Assent tomorrow, it is quite conceivable that the grain handlers and the elevator companies can be back at work on Saturday. The 5,000 cars that the Wheat Board has had filled, sitting on the rail tracks somewhere between Manitoba, Saskatchewan and Thunder Bay, if not a lot are parked in Thunder Bay, will very quickly be dumped into the elevators and the 16 or so ships that are sitting in the harbour will be quickly loaded and steaming downstream towards the transfer elevators.

So, Madam Speaker, we can recover. If the government believed that this strike really was causing harm to the farmers, it did not have to legislate the workers back to work. It would have been very simple to go, farm by farm, to where the country elevators were full and fill up 5,000 grain cars and use them for storage. I can understand if they decided not to fill up the total fleet of grain cars— I can understand why they would want some flexibility. But they decided to fill up only 5,000 cars and use them for storage out of a fleet of 26,000 cars. They could have added another 5,000 cars for storage, freeing up some space at the prairie elevators so that the farmers could have brought their grain from the farm gate to the elevator to get paid.

But they decided they didn't even want to do that. They could have taken the unusual step of going to the farm, determining how much was in storage, and providing a payment based on a pre-sale of that grain in storage so that the farmer would have the appropriate cash flow.

But this government did none of that. It did not attempt to find a way around the problem of moving grain off the farm gate. It also could have, starting next week—and I regret to say this— started moving grain from Manitoba and part of Saskatchewan to Vancouver. It could have also cleaned some of the grain out of the prairies and moved it by rail past Thunder Bay to Quebec City—something called the winter rail program, only this time it would be in the fall. It could have done those things if the issue really was to help the farmers. Of course, the reality is that if there had not been an election in Saskatchewan right now, if there had not been a massive crisis in the farm community where they

need $1.3 billion just to stay afloat, then perhaps the approach would have been different.

But this government I regret to say has been playing games with the lives of the people on the prairies and the lives of the people in the port of Thunder Bay.

Let us deal with the port for a second, Madam Speaker.

The Minister for Grains and Oilseeds is quoted in today's *Globe and Mail* as saying: "We are not going to sit by and see a port shut down that is a major part of our grain sales to one of our most important customers". He is reported to have said that at the rally at the Manitoba legislature yesterday.

Let us look at what has happened to the port of Thunder Bay since this government has taken office. At the outset I want to say that the initial cause is not its fault. It was the previous Liberal government that in 1983 passed what is now called the Western Grain Transportation Act which was the elimination of the Crow. In that act it provided a financial incentive to move a maximum amount of grain through the west coast at the expense of the port of Thunder Bay.

We have already been told that the number of grain handlers in Thunder Bay has gone from 1,700 in 1984 down to 700 today. That is 1,000 permanent well paid union jobs lost at the Lakehead.

We have also had the appropriate spin-off losses in rail. We have seen our Great Lakes shipping fleet cut in half in terms of the number of vessels we have. Madam Speaker, I want to say to you today if we have one of those bumper crops that we always dream about, this country can no longer move it to our customers should we have it. We no longer have the capacity to move 19 million tonnes out of the port of Thunder Bay throughout a year. We just cannot do it because of the neglect of the port of the Great Lakes-St. Lawrence Seaway system.

I said at the outset that it was Liberal legislation that created the situation, but this government has been in power since 1984. Seven years and there has been talk, talk, talk, but no action.

I just came back from a two-day conference in Winnipeg dealing with the issue of the direction of grain and how the WDTA is structured in terms of payments to the railroads or payment to the producers. I can tell you, Madam Speaker, that the frustration there was we have been talking about this and it is time for some action, time to restore some balance.

If the Minister for Grains and Oilseeds is sincere about the importance of the port of Thunder Bay, then it is time that this government got off its butt and did something to ensure that it has a permanent role in the movement of grain products from the prairies to export position, particularly to the Soviet Union. Most of the grain that goes to the Soviet Union comes through the port of Thunder Bay. A small portion goes through the port of Churchill and that is an issue as well that has to be addressed, to provide some permanency and stability to that grain community.

Madam Speaker, you have been told that the issues that have precipitated the strike are pensions and job security. I am not going to get into the details, the technical nature of it. I want to tell you the human side of it. If you have seen 1,000 of your colleagues lose their jobs, if you have seen others who you have worked with for 15 to 20 years not have work for a year or a year and a half, if you had families who have lost their homes, marriages that have broke up because of the loss of employment, the loss of income, you can understand how important job security is to the people of the port of Thunder Bay.

This year has been a very bad year for us. We have lost one full paper mill with 400 plus people permanently out of work, another paper mill was downsized by over 400, a questionable future for UTDC, and thank heavens the province has stepped in to manage things until Lavalin can find a buyer so we can maintain that valuable rapid transit rail car construction facility in Thunder Bay. As we heard last week, our shipyard facility is doomed because of the lack of work for most shipyards in this country.

The strike has not been a good one. I do not blame the union for that. Everything that I saw leading up to it was a group of companies which wanted nothing more than to put their workers out on the street.

• (1700)

I want to give one example. On the Friday when the Public Service Alliance went back on the picket lines in Thunder Bay, one of the first groups to go back were the inspectors and the weighers.

I should tell you that the grain handlers union has a cause and a collective agreement which gives them the right to refuse to cross picket lines. Given that in the first phase of the PSAC strike, they did not cross the picket lines, one of the companies—I do not know which one—on the Monday after the PSAC lines were up again, had the nerve to call over 100 grain handlers back to work.

They called them off pogey, off unemployment insurance. They had to know that that meant they would lose unemployment insurance but not get any work because they could not cross the picket line. They would refuse to cross the picket line.

That is not fair bargaining. That is not setting a climate to provide for meaningful negotiations. The companies themselves have to accept the responsibility that they created the scenario that led to the walk-out by the grain handlers union.

I will just make a final few comments, because I realize that the time is running out. I want to say very clearly that I and my colleagues in this House will be saying "nay" when you ask if this legislation shall be passed. We will be voting against it because we do not believe that collective bargaining should be destroyed in this fashion.

I also want to make it clear that we are agreeable to see this legislation pass this House today, to be completed in this House today because we recognize that it will be futile from any point of view to continue this now that negotiations have failed.

Madam Speaker, let me leave you with one thought. Would we be doing this today if the House was sitting next week? I suspect not. I wonder once again about our priorities as we deal with these and other matters.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Deputy Speaker: Call in the members.

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

(*Division No. 45*)

YEAS

Members

Anawak	Andre
Axworthy (Winnipeg South Centre)	Baker
Bellemare	Berger
Bertrand	Blenkarn
Bosley	Boudria
Bourgault	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Chadwick
Charest	Chrétien
Clark (Brandon—Souris)	Cole
Collins	Comuzzi
Cooper	Corbeil
Corbett	Crosby (Halifax West)
Danis	DeBlois
de Cotret	Dick
Dingwall	Domm
Dorin	Duplessis
Fee	Ferland
Flis	Foster
Gagliano	Gauthier
Guilbault	Halliday
Harb	Harvard
Hawkes	Hicks
Hockin	Hogue
Hopkins	Horning
Hudon	Jacques
James	Jelinek
Joncas	Jourdenais
Kempling	Kilgour (Edmonton Southeast)
Kindy	Koury
Langlois	Lapierre
Larrivée	LeBlanc (Cape Breton Highlands—Canso)
Lee	Loiselle
Lopez	MacDougall (Timiskaming)
MacLellan	Malone
Marchi	Marin
Marleau	Mayer
McCreath	McGuire
McKnight	Merrithew
Milliken	Mills
Monteith	Moore
Nault	Nunziata
Oberle	Pagtakhan
Parent	Peterson

Phinney	Pickard
Pronovost	Redway
Richardson	Robitaille
Roy-Arcelin	Saint-Julien
Scott (Hamilton—Wentworth)	Siddon
Sobeski	Sparrow
Stevenson	Stewart
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Valcourt	Vézina
Winegard—109	

NAYS

Members

Angus	Black
Blackburn (Brant)	Blaikie
Heap	Langdon (Essex—Windsor)
McCurdy	Murphy
Samson—9	

.PAIRED—MEMBERS

Anderson	Clancy
Finestone	Greene

• (1740)

Madam Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

HOUSE OF COMMONS

ADJOURNMENT OF THE HOUSE

Hon. Marcel Danis (Minister of Labour): I have a motion, Madam Speaker. I would ask if there is unanimous consent of the House for the following motion:

> That notwithstanding any Standing Orders and usual practices of this House that on Friday, October 11, 1991 the House shall suspend at the hour of adjournment to the call of the Chair for the sole purpose of receiving a message from the Senate respecting Royal Assent on the bill in the name of the Minister of Labour entitled an act to provide for the resumption and continuance of grain handling operations at Thunder Bay, Ontario, unless the said bill receives Royal Assent earlier that day.

Some hon. members: Agreed.

Motion agreed to.

Madam Deputy Speaker: Pursuant to Standing Order 30(7), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

INCOME TAX ACT

INCOME AVERAGING

The House resumed from Thursday, October 3, 1991, consideration of the motion of Mr. Althouse that, in the opinion of this House, the government should consider the advisability of introducing amendments to the Income Tax Act so that taxpayers whose income may fluctuate from one year to the next would be able to average their income over five years.

Madam Deputy Speaker: The hon. member for Argenteuil—Papineau had two minutes left. Does she intend to use them?

The hon. member for Argenteuil—Papineau.

Mrs. Bourgault: Madam Speaker, I had two minutes left on what, exactly?

Madam Deputy Speaker: I am sorry but I realize that with all the noise and brouhaha in the House, the hon. member was unable to understand what the subject was.

We are about to resume debate on the motion of Mr. Althouse. The hon. member was the last person to speak when we debated this motion. She has two minutes left, but if she does not want to use them, we will resume debate.

The hon. member for Mackenzie, on a point of order?

[*English*]

Mr. Althouse: Madam Speaker, there have been some discussions and unless members are anxious to make speeches on this, I would be prepared to have the vote deferred until the Wednesday after we come back into session.

Mr. Dorin: Madam Speaker, I was going to make some comments on this particular matter because I do know a little bit about the history of this. One of the things that I wanted to respond to was the fact that the hon. member, who has managed to find his way to the House after the vote which was trying to help farmers in Saskatchewan by getting their grain moving, is the same one who is now

suggesting we should be assisting people who have high incomes in given years to pay income tax.

Madam Deputy Speaker: I will have to stop the hon. member for Edmonton Northwest. There are 45 minutes left for debate on this bill. There are possibilities of debating until six o'clock. If the hon. member wishes to be recognized and speak on this, he has 10 minutes at his disposal and then we will see what the wishes of the House are.

What the hon. member was doing was really rising on a point of order and then starting to debate, so I could not let that go on. If the hon. member for Edmonton—

Mr. Dorin: On a point of order, Madam Speaker. I was going to debate. It is a little bit confusing here, I thought I was on debate and that debate was continuing. In the interest of solving this problem, one of the things I intended to raise was there was going to be an undertaking by myself that perhaps the member might wish to withdraw his motion so there would be no vote and the subject matter could be referred to the finance committee. I was going to offer an undertaking that we would then, sometime between now and Christmas, take up the matter.

However, I may withdraw that if we do not get an opportunity. I was going to give that undertaking which would mean that there would be no vote. I could not find the hon. member to ask him whether that would be acceptable.

Madam Deputy Speaker: The first person who rose was the hon. member for Kingston and the Islands. Is he relinquishing the floor right now?

Mr. Milliken: Yes.

Mr. Blaikie: Madam Speaker, there were at least two options that were discussed: first, that the subject matter be referred to committee, like the hon. member just referred to; or, that unanimous consent be sought to cause the vote, but then to have it deferred until Wednesday, October 23. That is the preferable option in the mind of the hon. member whose motion we are discussing and so that is why the member rose to suggest that particular option. If the member would like to speak to the bill first then perhaps we could have an agreement that we would hear him and at that time we would have an agreement to have a vote and have it deferred until Wednesday, October 23.

• (1750)

Mr. Milliken: Madam Speaker, there have been discussions between all three parties and I understood there was agreement to allow this vote to be deferred.

What the hon. member for Winnipeg Transcona has suggested is the hon. member make his 10-minute speech. There will still be a few minutes left today. We could agree that a division has been demanded and it is deferred until Wednesday when we resume.

I understand there were discussions with the parliamentary secretary to the government House leader that that is acceptable. I have not received any word to the contrary. Perhaps if the hon. member wishes to make a speech, as suggested by the hon. member for Winnipeg Transcona, we could proceed, hear the speech and then wrap this matter up.

Madam Deputy Speaker: I am quite prepared to recognize the hon. member for Edmonton Northwest on debate. If there has been some agreement or there seems to be different interpretations to that agreement, perhaps while the hon. member is debating, other people may want to go behind the curtains and talk about it a little more.

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, that is acceptable. Maybe I will speak for just a few minutes, agreement can be reached and we can deal with it. I am not going to stand in the way of deferring the vote particularly if that agreement is what is understood. I did not quite understand the situation. By the time I am finished, hopefully it will be resolved.

Briefly the difficulty with what the hon. member is proposing, which is to provide for five-year averaging for farmers, is that it creates a situation where persons may end up with substantial income in a given year, perhaps $50,000 or $100,000 but because they lost money the year before means that they do not pay any tax. The result is they show up in the taxation statistics as people who earned $50,000 or $100,000 that year and paid no tax.

If we go back to a debate that occurred in this place five or six years ago on the question of the minimum tax, I would like to remind members that the occupations of tax filers that can be determined according to the main source of income showed that the largest group of people who had high incomes and paid no tax were farmers, followed by fishermen, followed by small business owners.

It seems to me rather strange that we would have this proposal coming from the same party that was a very strong advocate of a minimum tax so that people could not earn$50,000 or $100,000 in a year and pay no tax. It would now like to recreate that situation which the government has sought to address by removing those kinds of tax loopholes.

I think it is rather strange that we would be doing this. However, I would also like to suggest that one of the things we have done in the finance committee is we created a subcommittee chaired by Mr. Soetens, the hon. member for Ontario, and we are inviting members as well as other people from the public to submit any ideas that they have for consideration. We will give them preliminary consideration.

If we think there is some merit to the case, we will then invite the particular individual or group to come and make a full presentation of their case. We will probably then also invite some people who may have other points of view. At the end of the day, if we can make a judgment, we will pass that judgment on to the Minister of Finance by a report to this House or whatever means.

We would like to do some of these things early enough this fall and next year to be in his hands before the budget that he will bring down some time around February.

I wanted to explain the process that will be available. It is for all members and everyone else. It may be a vehicle that could be useful for the member to take advantage of in a way of determining the pros and cons of his motion and whether or not it deserves additional support rather than simply having a vote on the matter today or next week and ending it there.

Madam Deputy Speaker: Do I understand that the member has moved that motion, or was that just a suggestion?

Mr. Dorin: Madam Speaker, I am simply making a suggestion, which the hon. member who has moved the motion may wish to take advantage of. It is up to him to determine whether he would prefer to withdraw his motion and refer the subject matter to a committee and use this other process, or have this vote, which will take place either today or next week.

Madam Deputy Speaker: I was just trying to ascertain exactly what the hon. member had said. If the motion would be to withdraw the motion as it is now, of course it would need the approval of the hon. member who has moved that motion. If not, the motion is deemed withdrawn.

The only person right now who can say anything to that motion is the hon. member for Mackenzie.

Mr. Vic Althouse (Mackenzie): Madam Speaker, to very briefly close the debate, the elements of this debate have been made quite clear throughout the short time that the debate has ranged. The motion would affect people with widely fluctuating incomes, farmers and fishermen, who are most affected, but also authors, people who work under contract, et cetera. This would encourage the government to reintroduce that legislation, which is still in effect. There would not be a break in the rules that apply under income tax and Revenue Canada because the last of those years is still to come. We are almost at the end of the very last year.

I just want to point that out, and point out as well that I recognize the options that are available to me, to have a vote, which is my preferred option, which I believe would be deferred until the Wednesday evening following our return to this House. I realize that we also have the option of sending to this new subcommittee. My experience in this House with other motions has been that the House has tended to pass them—I presume that that may happen with this one—and the government legislation subsequently reflected the motion that was adopted by the House. If the House so chooses to take that route tonight, they can vote in favour on the Wednesday when we return after Parliament resumes on October 23.

Mr. Blaikie: Madam Speaker, I rise on a point of order. I wonder if I might have the indulgence of the House to move that after hearing the member, whom we have now heard, and pursuant to discussions that took place earlier, a vote on motion No. 81, in the name of the member for Mackenzie, be deemed to have been caused and deferred until Wednesday, October 23.

Mr. Hawkes: Madam Speaker, I think there is a missing element. There has to be a time indicated. If it was to be the close of government business, it would be 7 p.m on October 23.

The other question I had, Madam Speaker, is whether the private member's motion for Wednesday, October 23, is a private member's motion that would in fact be a votable motion. If the private member's motion on that date were to be votable then a better time would be 8 p.m., at the conclusion of Private Members' Business on that day.

• (1800)

Mr. Blaikie: Madam Speaker, the motion is before you there.

Given what the government Whip has said, it could be added "at 7 p.m. on Wednesday, October 23". It is a friendly amendment and the House could dispose of the question.

Madam Deputy Speaker: My understanding is that by unanimous consent the question is deemed put and a division of the question that would be now before the House stands deferred until Wednesday, October 23, 1991 at seven o'clock p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes. Is there unanimous consent?

Some hon. members: Agreed.

Madam Deputy Speaker: It is so ordered.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

REGIONAL DEVELOPMENT

Hon. Alan Redway (Don Valley East): Madam Speaker, do you happen to own a fur coat?

Do not answer that, Madam Speaker, because I know that is a controversial subject these days. The animal rights activists, for instance, have understandable concerns about the humane trapping of animals although most of us still do eat meat and wear leather shoes.

It is really not because of the animal rights activists' concerns that the fur coat manufacturers are hurting these days, but they are hurting. Many of the fur coat manufacturers in Canada are Canadians of Greek origin. A great many of those live in my own constituency.

There are families such as the Papadopoulos family, the Zaphiropoulos family and the Frangos family, all of whom are involved in the production and the manufacture of fur coats in this country and have been for many years.

Four years ago, there were many animal rights activists around but the fur coat manufacturing business was a booming one. In fact, the Canadians of Greek origin who owned and operated those kinds of businesses in metropolitan Toronto made representations to me and to the Minister of Immigration to bring more skilled workers into the country to be able to help and assist them.

Their business was booming, and they needed more skilled labour. Many of them come from the region of kastoria in Greece. Today, they are in serious trouble and many of them are seeing a lifetime of effort just go down the drain. Others are hovering on the edge of disappearing altogether, and with them, thousands and thousands of jobs, jobs that are skilled jobs and high paying jobs.

The fur coat manufacturing industry is only one of many, many examples of the problems that we are facing today with the industry in southern Ontario and in metropolitan Toronto.

Since 1989, some 47 different industrial plants in metropolitan Toronto have closed finally and completely. Unemployment is now higher than the national average in metropolitan Toronto. It is now something like 10.8 per cent whereas just a year ago, it was 4.7 per cent.

Of the 85,000 people who are depending on general welfare assistance in metropolitan Toronto now, some 65,000 of them are employable if there were some jobs out there for them to be employed at. There are something like 127,000 residents of metropolitan Toronto now on unemployment insurance benefits.

This is virtually the worst situation in metropolitan Toronto since the Great Depression of the 1930s. In the early 1980s, we had a worse recession for Canada as a whole, but not for metropolitan Toronto.

Now, metropolitan Toronto has been hit and it is hit hard by the economic downturn. There are programs in place as you know, Madam Speaker, to help Atlantic Canada, to help western Canada, and to help Quebec and northern Ontario.

There is none for southern Ontario because southern Ontario and metropolitan Toronto have been traditionally considered as the fat cats. Perhaps they have been. Perhaps we have been in the past, but certainly we are not now.

For years and years, the former Liberal government and now our own government has had a policy that has provided little if any help for southern Ontario. Well, southern Ontario and metropolitan Toronto now need help, Madam Speaker, and I want to ask the minister tonight what he is going to do about it.

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): I would like to assure my hon. colleague that the federal government, in spite of what he said, is very active in southern Ontario. I would like to emphasize that we already have in place many policies and programs designed not only to prevent adverse economic development in southern Ontario, but also to provide the building blocks for long-term prosperity, not only in southern Ontario but for all Canadians from coast to coast.

Soon the government will launch its prosperity initiative and provide a forum in which Canadians can plan and work together to prepare for the challenge of a global economy.

In addition to concentrating on building long-term prosperity for southern Ontario, this government has already put in place many initiatives which benefit especially this part of the country. The program for export market development helps firms in Ontario to sell to border and southern states and the overseas market.

Southern Ontario firms benefit significantly from this assistance. I would like to also point out that the new exporters to the border states program has helped many southern Ontario firms get involved in the export market. So I think, Madam Speaker, that these initiatives and other federal initiatives and federal departments and agencies are playing an important role in supporting southern Ontario industries.

We realize on this side of the House, and my colleague is right in saying that there are problems in southern Ontario, as there are in many other parts of Canada, but the federal government is committed to helping the economy of those areas by providing means that will help the local economies of those areas and the local enterprises to grow and export and create jobs.

EAST TIMOR

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, on September 18, in answer to my question, the hon. Secretary of State for External Affairs said that Canada considers that Indonesian sovereignty over East Timor is a fact. She also said that we do not condone the manner of incorporation and that we deplore and condemn the loss of life that occurred.

Apart from the fact that those statements seem not entirely consistent, I want to point out other contrary facts in the statement of the Secretary of State for External Affairs.

Portugal is recognized by the United Nations as the administering power of East Timor and it has continued its dialogue in an attempt to resolve the state of invasion and oppression by Indonesia. It has recently sent a fact finding delegation and will soon send a parliamentary delegation to East Timor when the arrangements can be made.

It has taken Australia to the International Court of Justice for entering into a treaty with Indonesia to drill for East Timor's offshore oil.

Furthermore, Madam Speaker, on August 7 of this year, Amnesty International presented a 37-page report to the United Nations Special Committee on Decolonization in which they say, in part:

> Serious violations continued to occur in East Timor over the last year, accelerating patterns of short-term detention, torture and ill-treatment of alleged political opponents, many of whom may be prisoners of conscience, and persistent reports of extra-judicial executions, hundreds of unresolved cases of disappearance and the continued imprisonment of at least nine alleged Fretelin supporters sentenced in trials which Amnesty International believes were unfair.

Not surprising, in spite of the Indonesian government statement that people are free to visit, Amnesty International has not been permitted to visit East Timor yet. Furthermore, Madam Speaker, our history does not have clean hands.

• (1810)

When our ambassador, Glen Shortliffe, advised the Canadian government that the takeover was a *fait accompli*, he also pointed out that this would result in greater benefits to Canadian companies in improved trading relations with Indonesia. That is what has happened. Over 300 companies have been investing in Indonesia, looking for the abundant natural resources, the tax holidays and the oppressed cheap labour earning no more than $1 U.S. per day.

Furthermore, Canada has provided arms to the Indonesian government that it used in continuing the oppression of the East Timorese people. In 1984 Canada assisted with a weapons bazaar in Indonesia and eight Canadian weapons manufacturers had facilities there. The list of companies that do business, and obviously find it profitable in Indonesia and East Timor, is too long to list, but it includes Air Canada, Alcan, Bank of Nova Scotia, Bell Aerospace, Canadian General Electric, Hudson's Bay Oil and Gas, International Nickel, Westinghouse, Litton Systems— a famous anti-labour, anti-union employer—and Levy Auto Parts Company.

I urge that the Secretary of State for External Affairs revise her understanding and reverse Canada's policy of supporting the aggressor, the invader and the oppressor, and work with Portugal to liberate by peaceful means through the United Nations the oppressed people of East Timor.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, Canada considers that Indonesian sovereignty over East Timor is a fact, recognizing that there has never been any history of independence or self-government in the territory. Canada does not condone the manner of incorporation and deplores the loss of life that occurred. At the meeting of the UN Commission on Human Rights in February 1991 in Geneva, Canada expressed regret at the continued allegation of human rights abuses and urged Indonesia to ensure human rights are fully respected.

Canada expressed also its support for the Indonesian decision to open East Timor to domestic and international visitors.

Members of the Canadian Embassy in Jakarta make regular visits to East Timor to make inquiries on reports of human rights abuses, detentions, and the general living conditions pertaining there. The last visit took place in September. There are indications that tension is mounting in the wake of the visit of a Portuguese parliamentary delegation this month with possible consequences with respect to the human rights situation.

Canada continues to closely follow the situation in East Timor, and of course we fully agree with the hon. member's concern for the human rights situation in this part of Indonesia.

[*English*]

PUBLIC SERVICE

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, I rise this evening to address a question that I had posed in the House September 26 to the President of the Treasury Board. The question was raised with regard to the amounts of bonuses that are being paid to certain managers in the Public Service and the senior executives of Crown corporations.

There was some discussion at the time, if I recall correctly, that they were bonuses and then they were not bonuses; they were Christmas bonuses but they are not Christmas bonuses; they are part of their pay package, they are being paid at Christmas time, but it is not really a Christmas bonus.

To this date we are still not too sure exactly what they are. The fact remains that a lot of these executive types are getting upwards of $85,000 and in some instances which I will refer to in a moment they can get as high as perhaps even $99,000, in the form of a pay bonus.

We have been told by the President of the Treasury Board that these are a recompense for productivity.

This is happening at a time when the hourly rated workers are being offered zero, three and three. I take offence to the fact that when I addressed the question the President of the Treasury Board referred to the fact that if zero per cent were such a fast number, why was it not good enough for PSAC. I think that is an insult to the workers who are the very people who produce, who make the boss "look good", the senior executives who are getting these fat cat bonuses off the backs of these very workers who are being told they are getting zero.

There is something wrong when we hear on one side that there is no money, that the funds have dried up, that we have to tighten our belts, that we all have to contribute, that it is not time to spend and give raises. It is time for restraint.

On the other hand we say that some time ago there was 15 per cent taken out of the wage package of these senior executives and it is only being given back to them in the form of a bonus if they are productive.

It is a contradiction in terms. They are not the ones who are being productive. It is the people on the front line who are productive. They are the ones who are producing.

In the last couple of days there have been some votes in this House with regard to forcing people back to work. PSAC was one group. The grain elevator operators are the other group.

If things come in threes I guess the next group of people who will be ordered back to work if they do go out on strike—and it looks as if they probably will—will be the postal workers.

We are told by the President of the Treasury Board that the bonuses and the wage structure are regulated by an advisory board. That advisory board has told the government that the Canada Post Corporation president's wages should be between $248,000 and $310,000. If we take an average of $300,000 and that executive is entitled to 25 per cent, because that is also the guideline, he will get $75,000 bonus.

My time is up but I would love to go on much longer.

The point remains that this whole idea of bonuses has to be reviewed and I am asking the minister to appoint a review board or send it to committee, but this double standard cannot go on. I am asking the minister to respond.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Madam Speaker, the principle of the compensation for senior executives is that their total compensation consists of two parts: base salary and performance pay.

Increases to their base salary were limited to 4.2 per cent for 1990–91, which is the same average increase awarded other public servants for the same period.

Similarly, collectively bargained employees whose agreements expired prior to the February 26 budget will receive a 4.2 per cent increase as provided for in Bill C–29.

With regard to performance pay for the Governor in Council community, including heads of Crown corporations, bonuses are only awarded based on performance in achieving corporate objectives. They have not yet been approved or paid for performance during the fiscal year 1990–91.

I would like to add that bonuses for heads of Crown corporations are only awarded on recommendations of boards of directors.

This elaborate consultative and administrative process accounts for the delay in implementation.

• (1820)

The government rejects the view that the restraint measures should reach back to some people retroactively, for previous years' service, but not to others. This clearly would be unfair. The same principle should apply to everyone.

In keeping with the government's restraint program, performance pay has been suspended for the fiscal year 1991–92 for all senior executives and Governor in Council appointees inclusive of the heads of Crown corporations. This combined with a wage freeze for 1991 means that senior level total compensation will be subject to zero increase in that year, similar to collectively bargained employees. I should add that for the latter, however, salary increments will continue to be paid during that period.

I would like you to know that senior level compensation is normally established on the basis of independent advice and recommendations to the Prime Minister from the advisory group on executive compensation in the Public Service. That group is made up of eight senior executives from the Canadian business community and has provided advice over the past 23 years to successive governments. They support performance pay for senior executives as an alternative and a more cost efficient and effective method of distributing compensation. I should add that this method of compensation is widely used in the private sector.

Finally, as the President of the Treasury Board has indicated time and time again, there will be no salary increases nor performance pay for fiscal year 1991–92 for members of the management category and Governor in Council appointees including the heads of Crown corporations.

THE ECONOMY

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, two weeks ago in this House I directed a question to the Minister of Finance. It was answered by the Minister of Industry, Science and Technology. It had to do with Mr. Lou MacEachern who received the Entrepreneur of the Year Award in Calgary.

Upon receiving his award, Mr. MacEachern announced that because of the GST, the high dollar and other taxes, he was selling his business, and I said: "and leaving the country".

I asked the minister: When was this government going to stop drowning small business in red tape and taxes.

The minister, who is a skilled parliamentarian, was at the dinner and got up and said that Mr. MacEachern was not leaving the country. I naturally felt like the minister sort of blew me out of the water. I felt that my facts were not really correct.

Subsequently, I went and had a further chat with Mr. MacEachern who did receive the Entrepreneur of the Year Award. There are two points that I want to make. The first one is that the Minister of Industry, Science and Technology was right in that Mr. MacEachern himself is not leaving the country. But the real truth of the matter is that Mr. MacEachern, a man who employs over 300 people, is selling off his businesses. He wrote me a letter: "Further to our telephone conversation, Mr. Mills. If I had not received the Entrepreneur Award this year, it would never have happened to me in Canada because the entrepreneurial spirit has been killed in Canada by government and is dead in me so for as Canada is concerned".

He went on to mention that he showed the Minister for International Trade a number of articles, which he attached, as to what some of the problems were with taxes, red tape and paper burden in this country. He then went on to say: "Having started many people in business in this country, I shall not be doing it any more." He started selling off his assets and will have all of his assets sold by the end of 1994. He said: "My reasons for not staying in business: GST, fines, withholding tax reporting, government operating and regulating at the same time, such as UIC, WCB, no offsetting write-offs when a deal goes bad and abuse by Revenue Canada. I have one big problem in business: government, government, government! Yours sincerely, Mr. Lou MacEachern."

I appreciate the minister doing his best to put me in an awkward light by saying that Mr. MacEachern was not leaving the country.

There are 900,000 entrepreneurs in this country right now. They are begging this government to listen. What they want the government to hear is that the paper burden and the tax designs of this government are crushing their entrepreneurial spirit. Tomorrow is an emergency debate on small business and so we can continue this discussion then.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Madam Speaker, I listened with great interest to what was said by the hon. member for Broadview—Greenwood. Perhaps I may remind him that his party, which was in power for many years before this government was elected, put a very heavy burden on small businesses and on Canadian business in general.

The hon. member has, I believe, a business background. I am sure there were good times and times when things were not so good. He must admit that government tax burdens and red tape did not start in 1984 or 1988. It started well before that time. The hon. member knows the business community. He must have realized, and his friends must have told him, that since 1984, this government has been working very hard to enhance the position of Canada's small businesses. It has introduced policies to help Canadian small businesses become more competitive and more actively involved in export markets.

[*English*]

My colleague will remember that not too long ago we replaced the old manufacturers' sales tax with a new tax, the GST. The GST being a different tax is not a new tax. It replaces the tax that put a burden on our economy, on the capacity of our small business to compete and to export.

As my colleague said, tomorrow there is a special debate on this issue. I am sure that all members of this House will welcome the opportunity to talk about it.

Adjournment Debate

POVERTY

Mrs. Christine Stewart (Northumberland): Madam Speaker, I have the opportunity this evening to rise in response to a question that I posed in this House to the Prime Minister on October 2 that had to do with the rate of child poverty in this country.

I thought perhaps at the time that the Prime Minister had unintentionally misconstrued what I was asking in my question because of the response I got from him in which he said I was trying to mislead the Canadian public and was giving false information.

I tabled information in this House which corroborated the statement I made which was that there are more than one million children living in poverty in this country. I say that I thought that perhaps I had been misinterpreted and gave the Prime Minister the benefit of the doubt. I was frankly appalled by a response I got to my question from the Minister of National Health and Welfare in which he critiqued what I had said in the document that had been tabled in the House.

Subsequently I have been in touch with many of the agencies that deal with those living in poverty in this country and particularly children. In 1990 Statistics Canada tells us that there were 5.6 million children under the age of 14 years living in Canada. Those human beings who are aged 15, 16, 17 and 18 are also considered to be children in this country. One in six children today is estimated to be living in poverty in this country. That makes more than one million children living in poverty in this country. It is a dreadful legacy that we leave for the future of this country to permit such a thing to exist.

Beyond just the argument over statistics and numbers, I was very concerned with what the Minister of National Health and Welfare was saying in his letter. At one point he stated that we should be proud of certain statistics about Canadian initiatives and other federal initiatives that have been taken *vis-à-vis* children.

• (1830)

For example, the government has made a dollar commitment to eliminating the problem of family violence. That is very important and we support that. We know that the situation of poverty contributes to family violence in this country and the government is not facing the reality of how children are living in this country.

I certainly am affronted by the response and the attitude of this government. It is not only myself. There are many people who care for children and their future in this country and our country's future is our children today. The government will hear more from me and those agencies on this issue in the coming days.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, I believe that in his exchange with the hon. member for Northumberland, the Prime Minister mentioned major programs the government has launched in response to this appalling situation that affects us all, both intellectually and emotionally: the thousands of children living in poverty in this country.

I heard her refer to a letter she received from the minister with further details on the government's initiatives. Of course, it is quite a challenge, and it is also a very complex issue that is difficult to quantify when we realize, for instance, that there are poor children who are fortunate: they eat three meals a day, are cherished by their parents, cared for and protected. These children may be poor, but they are not unhappy. On the other hand, there are poor children who lead miserable lives because they come from a disadvantaged environment, broken homes, families living in extreme poverty, where many of them are beaten and abused. Single-parent families are most likely to be living on low incomes, and the children in these families are particularly exposed to poverty.

Madam Speaker, I know the hon. member doesn't like figures, but I think I should mention a few, because the government spends $15 billion annually on aid to children through family assistance programs. The hon. member is aware there are provincial jurisdictions involved as well. At the present time, there are 956,000 fewer low-income people than in 1984. I agree we must do more. We are very concerned, Madam Speaker, and we are actively seeking ways to improve our response to the needs of these children. It will take the co-operation of both opposition members and the government to find short and medium-term solutions to this very serious problem facing our society.

Madam Deputy Speaker: It being 6.30 p.m, this House stands adjourned until tomorrow morning at 10 a.m, pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, October 11, 1991

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—SMALL BUSINESS

Mr. Dennis Mills (Broadview—Greenwood) moved:

That, in the opinion of this House, the innovations and jobs created by Canadian entrepreneurs constitute the best hope for the Canadian economy and society and that, therefore, the government must take immediate steps to reduce interest rates, to lower the level of the Canadian dollar, to reduce the paper burden on small businesses, and make available more funding and loan guarantees for early-stage companies.

He said: Madam Speaker, I am honoured to have the opportunity to begin today on behalf of the Liberal Party of Canada, Her Majesty's Official Opposition. I think that too often in this House over the last few months we have forgotten about the Canadian entrepreneur that exists in this country.

When I first came to this city 12 years ago as a young entrepreneur I never dreamt at that time that I would ever have the opportunity to stand on the floor of this House and debate on behalf of the 900,000 entrepreneurs that create almost 90 per cent of the jobs in this country.

Most of the entrepreneurs of this country today are in deep pain. The loss of confidence in our community, the low morale, have produced a chain reaction. It has produced a chain reaction which is causing fear, tension and a lack of confidence. Most entrepreneurs feel today that their government, their leaders, are in fact not listening to them. We know that the government, day after day, especially in the last couple of months when we tried to put forward questions regarding high interest rates, the high dollar, and we talk about the problems and plight of small and medium-sized businesses in this country, the government always comes back with numbers and statistics.

It is a reality that interest rates have come down by almost 6 per cent in the last year. It is a reality that inflation is reduced. In fact if you would take away the government inflation in this country right now inflation is practically zero. Those are realities.

Where I would like to challenge the government today is not with a debate about statistics. I would like to challenge the government today on the way that it has handled the national will of this country. I believe that the problem we have in this country today is the fact that there has been a fracturing of the national will, the national spirit and nowhere is this fractured national will more evident than with the 900,000 entrepreneurs in this country.

Entrepreneurship is a state of mind. It is an attitude. It is an attitude where if you are feeling confident in the environment then you take risk and that risk when properly managed is probably the greatest wealth creator this country has ever had. It seems to me that this government has not focused on that asset of 900,000 entrepreneurs. That has led to this fracturing of national will.

In 1961, John F. Kennedy said: "We are going to put a man on the moon". With that single sentence, he began the process of galvanizing the will of Americans from school children, grade schools, high schools, universities, small business, big business. A whole new spirit invaded the American system. In 1969, when Neil Armstrong landed on the moon, the American will was at its most galvanized point in many, many years. That is what is missing in this country.

That will, which has been fractured in this country, needs immediate attention. The force of the 900,000 entrepreneurs is the force that I believe members of the House should be paying attention to.

Can you imagine, Madam Speaker, 900,000 enterprises in this country? Can you imagine if in the next 24 hours each one of those enterprises hired just one more person? That would reduce our unemployment rate by

almost 6.5 per cent, and it would be a savings on the treasury of almost $8 billion to $10 billion.

Can you imagine if over 60 days they hired a second person? That would put the economy of this country back on track. In order to get the entrepreneurs of this country thinking in that direction, we have to provide the proper environment.

What this government has failed to do is read what motivates the entrepreneurial spirit of this country. When the Minister of Finance came to power, Mr. Wilson, in 1984, he made a commitment to the people of Canada that he was going to address the complicated tax system of this country, a tax system that I was a part of for many years.

He made the commitment that we would redesign the tax system of this country. The government failed in comprehensive tax reform. It went ahead, and instead of honouring the commitment that many members on that side made during their leadership campaign of saying we must put comprehensive tax reform into this city, task forces when they were in opposition, they somehow just ignored the words and the radical tax reform which they promised was never implemented.

In fact, the opposite happened. We ended up having a further complication of the system and a further 32 tax increases. That is precisely the thing that is a disincentive to the entrepreneurial spirit of this country.

For the next seven years, this government has built a litany of disincentives for the 900,000 entrepreneurs in this country. It is not all related to the tax system.

The free trade agreement. I did not totally agree with my previous leader, Mr. Turner, when he stood up in this House and said, "If I was running this country, I would rip up the free trade agreement."

I thought when I was campaigning during the last election that those words were a little too aggressive. Upon reflection and upon examination, I think Mr. Turner was right. I cannot see any benefit to this current free trade agreement.

I think this free trade agreement has been one of the biggest hoaxes perpetrated on the people of Canada, and ultimately, the entrepreneurs of Canada. When I say "entrepreneurs", many of them on blind faith bought in.

I can remember when I was campaigning in Broadview—Greenwood in the last election and after the debate, people were saying: "Mr. Turner convinced me. This is not a good deal for Canada." Then, almost magically, full page ads appeared in newspapers in my city such as *The Sun*, *The Star*, *The Globe* saying: "No, do not listen to Mr. Turner. This free trade agreement is a good deal." The entrepreneurship of the country bought into this government's free trade agreement. With entrepreneurship in this country, if it were asked today, would they still buy those full-page ads and tell their staff, their employees, their customers, that it is a good thing? I believe they would think twice. In fact, I would venture to say that probably all of them would decline on buying those full-page ads.

• (1020)

The litany of disincentives to the entrepreneurial spirit in this country goes on and on and on. One cannot galvanize the will of a nation when one is constantly putting out these disincentives to productivity.

Let us just deal with the issue, for example, of productivity. This government constantly talks about productivity; we must be more productive, we must be more innovative. I worked for one of the greatest entrepreneurs in this country for two years. The man's name was Frank Stronach and he is the chairman of an organization called Magna International. Magna International makes auto parts. It is probably one of the most competitive industries in the world, making auto parts, because one is naturally competing in a very tough market. Frank Stronach had a very simple answer when people would ask him: "What is the secret of your success?" He would say: "Well, I make a better product at a better price". Then people would say: "But Frank, how do you motivate people to make that better product at a better price?" Again he would simply answer: "You must treat your people fairly."

That is what we in this House forget.

Dofasco Steel in Hamilton says it clearly. They say: "Our product is steel but our strength is our people". This is where we miss in this House. The strength of this nation is our people.

We have to ask ourselves, all sides of this House: "Are we treating our people fairly?" I bet there is not a member in this House who would not acknowledge the fact that the tax designs of this country, this government, are the most complex—they are definitely unfair—and the most inefficient and, I bet you, they rank with being the worst in the world.

It seems to me that rather than having *ad hoc* decisions to help the 900,000 entrepreneurs in this country, it is time that we, in this House, put forward a comprehensive approach. Let us begin with the one instrument that the Government of Canada controls that affects every person in our nation and that is our tax system.

I believe that if we had a comprehensive approach to tax reform, that is the secret to motivating the will of this people to becoming one of the most productive nations on earth.

But the converse of that is also true. If we continue to be captives of officials in this city who tend to work as word smiths, tend to forget about what drives people, tend to forget about what drives entrepreneurs, we are not going to advance.

We are going to have a long day today to debate the difficulties of business in this country. We are not just talking small business, we are talking the medium size and the large corporations of this country. They are all crying out for help. They all ask themselves these days: "Does anybody up there in Ottawa listen? Does anybody up there understand the kind of pain we are in? Does anybody up there have any ideas?" Quite frankly, it is all well and good for those of us on this side of the House to get up and challenge the government for its lack of political will or its lack of action.

It is also incumbent upon us on this side of the House to throw some challenges in a very specific way at the Government of Canada and say: "Why are you not experimenting? Why are you not trying to put into place some of the ideas that we are hearing from the people we are talking to when we walk the streets of our ridings or visit other parts of the country?"

I have one very specific recommendation for the Government of Canada. I personally believe, and I know there are a few other members in this House who believe, and I am not speaking on behalf of the Liberal Party of Canada right now, but I am speaking on behalf of thousands of people in this country, that it is time for a comprehensive approach to tax reform.

I personally believe in the single tax system. I believe a single tax of 20 per cent, corporate and personal, would probably send a signal to the people of this country that we are serious about radical tax reform. I know John Bulloch at the Canadian Federation of Independent Business thinks I should be banned to Siberia because my tax system is asking smaller business to go from 10 per cent to 20.

I say to Mr. Bulloch, and I say to the entrepreneurs: "Would you not rather have a 20 per cent rate and throw away the thousands and thousands and thousands of pages of tax law, rules and regulations? You could cut down on your paper burden. You could cut out the red tape. You would save on administration and overhead".

Just imagine a small company that might have a net profit of $100,000 a year. Under the current tax system it would pay $10,000. Under the single tax it would pay $20,000. But it would save in the paper burden, and in the cutbacks in accountants' fees and lawyers' fees. More important, it would have a motivated labour force, because it would not spend its time on negative energy trying to figure out all the rules and regulations and exceptions to exceptions, all the disincentives to the creative process, the things that suck the entrepreneurial juice out of a person when they are trying to imagine and create ideas that expand a business and expand wealth. It would be adding jobs to the labour force rather than cutting back and diminishing. I believe that a single tax system would go a long way in advancing the strength of entrepreneurship in this country.

The second thing I would like to challenge the Government of Canada on is its communications practices. I noticed last week that the government sent out a message on the Constitution to every household in Canada. *An Invitation to Help Build a new Canada.*

I am not disinterested in the Constitution. But I can tell you that most of the people that I talk to suggest that yes, the Constitution is important, but it seems like the

only thing we talk about in this country right now is the Constitution.

It seems that this government is going to extraordinary pains to communicate the message of its proposal to the Canadian people. I really do not have a problem with that. What I do have a problem with is the fact that there are fabulous programs and services that exist within the Government of Canada. There are fabulous programs within the Federal Business Development Bank, match making exercises where investors can be matched with small businesses that are short of capital.

There are fabulous programs in many other departments of government which, I would say, 99 per cent of the businesses in this country do not even know exist. My experience is that it is only those corporations which can afford to have government relations people working in Ottawa, or lobbyists working in Ottawa, that know these truly good programs exist within the Government of Canada, within the bureaucracy of Canada.

• (1030)

I must confess at the same time that I feel there is a fine line here because we know that this Prime Minister has an extraordinary sort of communications skills. His tactical skills sometimes makes me nervous. However, I still believe that the Government of Canada should be communicating to the 900,000 entrepreneurs the fact that there are programs and services available to them which can help relieve some of the pain that they are going through. This is my second recommendation. The first is comprehensive tax reform. The second is a very specific, small business-directed campaign on programs and services available.

The third point that I want to make is on tourism. I think tourism is a gem we have in this country that has been neglected. It seems that very few officials understand the power of tourism in this country. If I were to make a third recommendation to the government in terms of helping the tourism sector of this economy which is, by sector, the largest job creator we have, I would quadruple the tourism budget in this country. Not only does it create jobs, but it also works at galvanizing the will of this country, and making us feel good, and making us feel proud about this country again which is something that we are all in desperate need of.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, first of all, I would like to congratulate the hon. member for Broadview—Greenwood on his speech. He has always had an abiding interest in the concerns of small businesses, and today's speech is eloquent testimony to his interest and dedication.

[*English*]

The member for Broadview—Greenwood, who has taken a major lead on the issue of tax reform in this country, has spoken today again about his concern, and the important implications for small and medium-sized businesses and, indeed, large businesses. He asks how one can reduce the tremendous paper load and simplify the system so that Canadians can function in the global economy.

There is another area as well on which our speaker has been very eloquent in the past and that is the whole issue of environmental technology. This is something that he shares with many of us in our party as, indeed, the issue of tax reform. Environmental technology is one of the great growth areas for this country. It is, unfortunately, one that the current government is completely neglecting. As I understand it, it may well be that it is because it does not understand that Canadians can compete with anybody in the world.

I believe, and I know that the previous speaker believes, that there is a tremendous role for small business in the development of environmental technology. I think that it would be very helpful to this House, and to Canadians across the land, if the speaker was allowed perhaps some time to give us his views on the relationship between small and medium-sized businesses and that which we in the Liberal Party feel is very important, the opportunity for Canadians to take the lead in this very important area of the economy.

Mr. Mills: Madam Speaker, I thank my colleague for LaSalle—Émard for his question.

I believe that the support for environmental technology in this country is something that can create a new thrust for jobs which we are in desperate need of in this country. With almost two million people unemployed, and a planet that is deteriorating at the rate that ours is, I

think it is absolutely ludicrous for us not to blend the two; the unemployed factor and also the environmental technology that we have in this country that is not given proper exercise or proper support.

I attended the Water Pollution Control Federation Convention last Monday in Toronto. There were 12,000 delegates from all over the world and close to 500,000 square feet of exhibits of environmental technology from all over the world. We did not even come close to having substantial representation, and it was in Toronto, Canada.

I totally support my colleague's view that we must, for the sake of the planet, factor in the fact that we have human capital available and willing to work on environmental technology. I think it is incumbent on this government to get on with it right away.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I want to congratulate the hon. member for Broadview—Greenwood on his excellent presentation and his initiative in moving the motion before the House. Like the hon. member, I am familiar with the advantages of small business. We are lucky to have 900,000 entrepreneurs who are the real key to economic development and job creation across this country. It is always risky to put all your eggs in the same basket and to consider only big business. The hon. member is absolutely right.

I would like to start off by saying that I agree the economic environment is extremely important and that our banking system, which influences the economy, is faced with two problems—in fact, I and all average Canadians are very much aware that interest rates and the value of the Canadian dollar can make or break small business.

Madam Speaker, I would appreciate the hon. member's comments.

[*English*]

Mr. Mills: Madam Speaker, I thank my colleague for the question. The problem we have with small business *vis-à-vis* the interest rates and the dollar is that at the same time that interest rates go up in this country the banking institutions begin their process of restricting credit. One of the scariest things for small and medium sized entrepreneurs is when that bank manager calls them in and says: "Listen, even though I am making a little bit more, I have to tell you that I am curtailing your line of credit or even reducing it because I am a little bit nervous about your cash flow and your ability to handle it".

The other thing happening right now is that the government talks about the fact that interest rates have come down 5.5 or 6 points in the last year. There is a sense of: "Wow, isn't that great". Do you know what is happening, Madam Speaker? None of the banks are lending any money. There are big posters in bank windows saying: "Mortgage rates 9.5 per cent", but go and try to get it. If you are a small or medium size business go and see if they will. Interest rates are down now, and that is usually a signal that the economy is getting better. Well, it does not seem to be getting any better for the banks.

That crushes the entrepreneurial spirit of this country. When that is multiplied by 900,000 entrepreneurs, that creates a national malaise.

As my colleague from Willowdale said yesterday, for every penny the dollar goes up we lose $1.3 billion worth of exports. In the last six weeks the dollar has gone up by almost 3 cents. That is almost $4 billion worth of sales. Translate that into jobs, mostly in the manufacturing sector.

• (1040)

The interest rate problem and the high dollar are causing deep pain for the 900,000 entrepreneurs of this country. When the government says that the interest rates are going down and the dollar is holding, and we hear these statistics every day, it is missing the point.

We must go beyond those statistics and see the spirit, the will, and the heart of the entrepreneurs. Those statistics, at this point in time, do not mean a darn thing.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): In 1980, 1981, and 1982 interest rates were at 22 per cent and inflation at 13 per cent and the dollar was where it was. Look what happened to the economy then.

Is he suggesting that with a lower dollar and higher interest rates we would have a better economy, as we did in 1980, 1981 and 1982?

Mr. Mills: Madam Speaker, I am so pleased that the minister responsible for entrepreneurship for the Government of Canada has entered into the debate. He refers to that world-wide recession of 1981 and 1982. I was here in this town at that time working for Mr. Trudeau, the then Prime Minister. I want him to know that we did something different then.

Mrs. Bourgault: What did you do?

Mr. Mills: We did let the deficit rise, but we put people back to work. We had a special recovery program which put people back to work. It was a cushion for the pain that was going on in this country.

We also did another thing. We were also very sensitive to the fact that if we were going to get out of this high inflation—and it was high—we were going to have to do it with the will of the people. That is when we came out with the six and five program. The six and five program was an effort to recognize that the only way we could pull out of that mess was by galvanizing the will of the people and getting them all involved in the anti-inflation fight.

When we left office in 1984, we left the Conservatives with one of the hottest, most productive economies in the world. Yes, we left with a deficit of $180 billion, but over the next seven years the Conservatives blew it. They blew it. They doubled the debt because they forgot one fundamental thing. They want to chop this country up into blocks but it does not work that way. It is necessary to galvanize the national will, but their programs are not designed in the national sense. They tend to be in blocks and in regions, and that will not work.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I don't know where to begin, having just heard that the six and five program galvanized people across this country. It certainly galvanized people across my constituency. It galvanized them into throwing the Liberals into third place in Essex—Windsor for the first time in recorded history. It galvanized people in other parts of this country to ensure that the Liberal Party came back to this House with 40 seats, the lowest level of support it had ever received in any national election since 1867.

It certainly galvanized people. I have to say it galvanized the labour movement too. It galvanized the labour movement almost as much as the PSAC strike has galvanized labour, as the PSAC efforts to win justice for clerks, for the low-paid people in the Public Service, while those at the top will get their bonuses. They were sent back to work by this government.

That has galvanized the labour movement too. It galvanized the labour movement in such a way that it will mobilize across this country as I gather it mobilized last night in my constituency of Essex—Windsor to welcome one of the figures who represents this government's economic policies, the Minister for International Trade. He was met with anything but pleasure in the city of Windsor when he visited it yesterday.

Yes, there are events which can galvanize people but there are also policies which can galvanize an economy. This Conservative government has been in power since 1984 but sometimes you would not realize it the way it tries to blame the Liberals for its mistakes. Unfortunately this government has not been able to find policies to give this economy the drive and dynamism to give us growth and economic fairness, or to give us the kind of employment people need throughout this country.

Let me deal with each of these points. We talk first about employment because the latest unemployment figures came out today. I have already said they are good news for the country because they show a decrease in the unemployment rate from 10.6 per cent to 10.2 per cent. The fascinating thing about these statistics is that in the province of Ontario the decrease was from 9.9 per cent to 9.2 per cent. That was by far the biggest decrease and the most important part of the over-all decrease within the country evident any place in Canada.

Why has that taken place? It has taken place because the government in the province of Ontario has taken the problem of getting people back to work seriously. It has taken the concerns of Canadians, the concerns of small business and the concerns of farmers, it has taken all these concerns seriously. The results are starting to show up in the national statistics that came out today. There are 40,000 fewer people unemployed in the province of Ontario as of this past month of September.

The budget of the province of Ontario which this government on the other side so strongly criticized and condemned is in fact showing itself to be getting people back to work while national policies continue to leave the country in stagnation, while national policies continue to leave us with unemployment rate changes in provinces such as that in Quebec for instance.

[*Translation*]

If we consider the Province of Quebec which applied this government's economic policies, decided to cut spending and opted for the politics of austerity, what are the results? The result for the month of September was an increase in unemployment.

• (1050)

[*English*]

In Alberta, another Conservative province which has followed the national government in trying to squeeze things in the face of a recession, again the unemployment rate has gone up.

Mrs. Vézina: But speaking about Ontario and Manitoba—

Mr. Langdon: I talked about Ontario already. The unemployment rate there decreased by .7 per cent, from 9.9 per cent to 9.2 per cent. Compare that 9.2 per cent figure to the Quebec figure of 12.1 per cent.

The politics of austerity in Quebec—

[*Translation*]

The politics of austerity have created an unemployment rate of 12.1 per cent in Quebec. In Ontario, where the government is applying an expansionist policy, the unemployment rate is down to 9.2 per cent.

Madam Speaker, I think this is a clear indication that the economic policy they have in Ontario was the better choice.

[*English*]

If we move to the question of growth, I think that this government has also demonstrated its inability to generate the kind of broad-based fair growth across this country which would give us a recovery from this recession to the benefit of all Canadians. Instead, what we have seen is a continuation of regional differences which show up again in the unemployment rates that came out today.

In Newfoundland 17.8 per cent of the population is out of work, in Nova Scotia 12.6 per cent is out of work, in New Brunswick 12.8 per cent, and in Quebec 12.1 per cent. It is only in provinces like Ontario that have chosen policies aimed to help people that the unemployment rate is down to 9.2 per cent.

If we take the policies of this government, and we could take a great many of them but let us just take one, let us take its tax policies. We were at the very height of a recession, the very worst period of economic development for our country in 10 years. What does this government decide to do? It decides to put into effect a massive new goods and services tax, a 7 per cent hammering of consumers across this country. I believe that 7 per cent hammering had the effect of prolonging the recession, of making recovery from the recession significantly more difficult for our economy. It was a move in taxation terms which has also been especially painful for small businesses.

I talked to small business people in my constituency and in other constituencies throughout this country. For instance, the foundry manufacturers, the mould makers in Windsor, had to come to me as a New Democrat finance critic to get action from this government on a piece of absolute nonsense which had been put into place because of the GST.

Mould makers, as anyone who knows the industry will know, move their goods back and forth across the border, especially in areas like Windsor, for different processes which are undertaken with respect to those moulds. Those moulds, for instance, have to be etched. Often these are sent to the United States to be etched. The Government of Canada had decided that every time these moulds were moved back and forth across the border they had to pay the GST again, regardless of whether the GST had already been paid on a previous movement across the border.

It took us three months to persuade the Department of Finance to finally eliminate that provision which was so seriously damaging hundreds of mould-making firms in the city of Windsor and in many other communities in southern Ontario.

We were pleased that the Department of Finance finally moved. However, it put a tax like that into effect, not realizing how detrimental the effects of that tax would be when we live right beside the United States, a country which does not have a tax of this sort anywhere in its economy.

We see massive increases in cross-border shopping spending. We have seen massive increases in the number of Canadians going to the United States on tourist trips this year. We have seen an increase of 10 per cent this year alone in the number of tourists choosing the United States instead of Canada. At the same time we have seen

a decrease of 2 per cent in the number of American tourists coming to this country.

This shows us what the GST is doing to economic development in this country. It is seriously damaging the prospects for the future of our land.

I mentioned not just growth, not just the question of employment, but the question of fairness, because that, too, is important. What we have seen from this government from 1984 is a series of tax changes which have benefited those at the top and hurt those at the bottom. We have seen, for instance, $100,000 in exemptions provided for capital gains tax benefits. This is of benefit to that small percentage of people at the top of our economy who earn a great deal of money from capital gains.

We have seen the top rate of income tax, which the Liberals first decreased down to 34 per cent, brought down even further by this government to 29 per cent. The decrease has been combined with a shift of taxation to the ordinary people of this country, a shift to the GST which falls on middle and lower middle class Canadians, working class Canadians, a shift to the manufacturers' sales tax before that, which was increased year after year after year by this government. So the ordinary people in this country pay much more tax than they did in 1984, while those at the top pay less tax. We have seen unfairness. We have seen lack of action with respect to unemployment. We have seen lack of action with respect to growth. Instead we have seen things that have hurt growth in this economy.

• (1100)

We have to take a new course. I think the course which the Liberals have suggested is in a sense some of the same old stuff which they have tried to pursue in the past and which has not built a solid basis for our economic development in the future.

For us as a party, we certainly would hope that the next election will bring changes that make it possible for us to start to get some of those benefits which Ontario is enjoying of dynamic expansion and of reduced unemployment which we see in the unemployment figures today.

Madam Deputy Speaker: I will interrupt the hon. member. There will be two minutes after our daily routine business for him to conclude and after which we will proceed to questions or comments.

It being eleven o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL FAMILY WEEK

Mr. Doug Fee (Red Deer): Madam Speaker, this weekend is Thanksgiving when Canadians offer thanks for the many blessings that we enjoy in this great land. As we offer thanks and pray for the future of our nation, it is appropriate to reflect on the contributions that families make to the Canadian way of life. It is also appropriate that Family Service Canada sponsors National Family Week just before Thanksgiving.

I thought much of my family this last week and how important they are to me. My wife and youngest son celebrated their birthdays at home while I was here. I had to console myself with the fact that what we do here will help all Canadian families.

Programs like the recently announced $136 million commitment by the federal government to help eliminate violence against women, children and elders are unfortunately necessary. Other federal government programs, like the family allowance, child tax credits and supplemental tax credits for children under six are all important to families.

The government is committed to families and I encourage that commitment.

* * *

QUEEN'S UNIVERSITY

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, 150 years ago Queen's University was established by royal charter. The document was granted by Queen Victoria on October 16, 1841, after years of effort by the Presbyterians of Upper Canada. Classes began on March 7, 1842, when Queen's College at Kingston opened a small wood frame house on the edge of the city with two professors and 13 students.

Known as Queen's University since its separation from the Presbyterian Church in 1912, it is one of the oldest and most distinguished universities in Canada with a long established tradition of service to Ontario and the nation. Today there are more than 70,000 Queen's alumni living and working throughout Canada and in more than 100 countries around the world, including nine hon. members of this House.

This year, Queen's invites Canadians everywhere to help the university celebrate 150 years of achievement. *Oil thigh na banrighinn a'banrighinn gu brath, chagheill.*

* * *

[*Translation*]

NATIONAL AIDS AWARENESS WEEK

Mr. Ricardo Lopez (Châteauguay): Madam Speaker, the World Health Organization predicts that by the year 2000, 40 million people, including 10 million children, will be suffering from AIDS. In the United States, 100,000 people have already died of AIDS. According to recent Canadian figures, more than 5,000 Canadians have AIDS and their numbers are increasing.

Madam Speaker, this is National AIDS Awareness Week, an important event indeed. Front line workers already working in this area across the country will try to make Canadians more aware of the existence of AIDS, and its disastrous effects, and how it can be prevented.

Madam Deputy Speaker: I am sorry but I must interrupt the hon. member. The hon. member for Scarborough—Rouge River.

* * *

[*English*]

VINAY DOPHE

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, in what are most definitely compassionate circumstances, the Canadian government has again refused a request for a visitor visa.

Almost four years ago, 11 year old Vinay Dophe was the innocent victim of an acid attack which left him sightless. Thirteen operations later, the metro Toronto Herbie Fund helped bring young Vinay to Toronto sick kids hospital for further treatment.

As Vinay prepares for yet another operation in which he will receive a cornea transplant, he would like his mother by his side. The Government of Canada has refused on two occasions to give her a visitor visa.

A former federal Ontario Human Rights Commissioner has already written to the Prime Minister on behalf of Vinay and his mother. I too would like to lend my voice to his appeal and call upon the minister or the government to reconsider the visa, or grant a permit to Mrs. Dophe so that she may be by the side of her very brave son for his upcoming and delicate surgery.

* * *

[*Translation*]

THE UNEMPLOYED

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, I want to appeal to the Prime Minister and his minister of Finance to avoid making political capital at the expense of formerly unemployed Canadians who are now on welfare.

In fact, instead of rejoicing in the latest statistics on unemployment, we should deplore these figures which obscure part of the facts. unemployed workers who have exhausted their unemployment insurance benefits.

Madam Speaker, we cannot afford to sweep under the rug the fate of thousands of Canadians who during the past months have been looking for jobs that do not exist.

* * *

[*English*]

NATIONAL UNITY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, the next few months present Canadians with a unique opportunity to contribute their opinions to the constitutional design for Canada's future.

This is a special opportunity for members of Parliament as well to stimulate such dialogue in their constituencies and to encourage all citizens from all walks of life to express their views about our country.

The 28 proposals for political and constitutional change which are now before us represent a critical and constructive stage in Canada's long journey toward national unity. They demand and deserve our most dedicated deliberations.

In my riding of Fredericton—York—Sunbury in any possible way, through citizens' committees, at public meetings and in every other such forum, our common theme will continue to be: "Please come. Let's talk about Canada."

* * *

[*Translation*]

FOOD BANKS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, the Thanksgiving weekend is coming up, and at this time of the year, many Canadians give thanks for the abundance they enjoy.

However, there are also many Canadians who have not been as lucky and do not enjoy that abundance.

[*English*]

Within the shadow of the Peace Tower, Madam Speaker, the Ottawa Food Bank operates year round supplying emergency hamper programs, shelter and soup kitchens.

This weekend, the Ottawa Food Bank is asking area residents to please think of those who are needy, and give generously. Food can be dropped off at any of the 37 major grocery stores tonight and tomorrow.

There has been an increase in demand for food of 20 per cent over last year. This is not good news. This should not be happening in a society where apples in this area rot in the fields because producers are overstocked.

Food banks all across this country need donations. Please give so that many others can give gracious and thanks to the Lord for this great country.

* * *

[*Translation*]

ENTREPRENEURSHIP

Mr. Marcel R. Tremblay (Québec-Est): Madam Speaker, this year, the first day of October was a special day for a businessman in my riding.

In fact, Nicola Cortina, a jovial gentlemen, officially inaugurated his pasta plant, Cortina Inc., the only plant in Quebec that produces fresh pasta and sauce.

This ultra-modern plant, Italian in inspiration, which will enable him to compete with the Americans, was built thanks to a partnership of federal, provincial and municipal levels of government, and to financial assistance from the private sector.

Mr. Cortina, a real fighter, known as a persevering and sometimes even obstinate man, has taken advantage of all resources at his disposal to carve out an enviable niche on the market, both in Canada and throughout the North American continent. This is someone who isn't afraid to build! Good luck, Nicola!

* * *

[*English*]

THE ECONOMY

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I wish to rise today to underline the seriousness of the economic situation within my constituency, and indeed, on the island of Cape Breton.

Today it was announced that the unemployment rate in my constituency is in excess of 17.5 per cent, which is twice the national average.

We have steel workers without jobs or bridge benefits. We have miners without jobs or hope of jobs. We have construction workers who are unemployed and have been denied the privileges and the benefits of an older workers' adjustment program. We have fishermen without fish to catch or benefits in order to feed their families. Our youth have no hope of economic opportunities in Cape Breton.

• (1110)

I would urge the Minister of Employment and Immigration to work in concert with Enterprise Cape Breton and the various municipalities in industrial Cape Breton to put together a measure of job programs in order to sustain those individuals over the winter months.

I see that the minister responsible for the Cape Breton Development Corporation is in the House. I would hope that he would use his good offices to assist in a very, very difficult situation.

COMMENTS IN CHAMBER

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, Canadians are very disturbed at the justification offered for racist and sexist remarks made in the House yesterday. We are all subject to heckling here. Sexist and racist remarks are not simply personal insults, they are insults to a significant portion of the population.

How do those members think racial and ethnic minority people feel when a member of Parliament refers to a committed, active and respected member of Parliament by a slave name? How do those members think women feel when women members must deal not only with all of the regular put-downs of this place, but insults that are directly related to their gender? It not only shows a lack of respect for the individual, but for women in general.

There is never a justification for racism and sexism. It is not simply a matter of decorum. Racism and sexism do not belong in the House of Commons nor anywhere else in Canada.

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SUDDEN INFANT DEATH SYNDROME AWARENESS MONTH

Hon. Alan Redway (Don Valley East): Madam Speaker, this is SIDS, or Sudden Infant Death Syndrome Awareness, Month. This term refers to the sudden and unexpected death of an apparently healthy baby. Such a death is a tragedy that strikes not only the mother and father of the child, but also other children in the family, their grandparents, playmates, teachers and everyone in the community.

Few are aware that SIDS is now the leading cause of infant death under one year of age after the newborn period. The number of infant deaths from other causes has decreased while death from SIDS have not.

From November 1 to 3, Prince Edward Island will be hosting the annual Baby's Breath Conference sponsored by the Canadian Foundation for the Study of Infant Deaths.

I would urge everyone to participate in the activities aimed at increasing the awareness of SIDS during the month of October. Families affected by this syndrome need our compassion. Only through the concerted efforts will we make progress in understanding and some day eliminating this phenomenon.

* * *

IMMIGRATION

Mr. Jim Karygiannis (Scarborough—Agincourt): Madam Speaker, on September 27, immigration adjudicator Susan Lavendar ruled to grant refugee status to a Trinidadian couple who had been waiting 23 months for action on their case. Her decision, based on the Charter of Rights and Freedoms, indicated that the long wait to which the couple was subjected was an unreasonable delay, causing them mental and physical suffering.

Unfortunately, this type of delay is not the exception, but the norm. People all across Canada, particularly in the metropolitan Toronto area and in my riding of Scarborough-Agincourt, are experiencing exactly the same mental and physical hardship.

What about the thousands of cases still sitting in the backlog? Where is the justice for them? Even the immigration adjudicators, appointed by this government, recognize the injustice of the situation.

I call upon the government to alleviate this suffering and set up a review process which will find a reasonable and constitutional solution to the immigration backlog.

* * *

THE CONSTITUTION

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Madam Speaker, once again Canadians and their leaders are engaged in a round of constitutional discussions.

Our government has come forth with a comprehensive set of proposals which seek to respond to all the various deficiencies that have been identified by one group of Canadians or another.

In particular, the proposals attempt to respond to alienation from western Canada to the unacceptability of the *status quo* to the indigenous peoples of Canada and to the sense of betrayal that is so widespread in Quebec resulting from what, to many Quebecers, was the great betrayal of 1982 and the rejection of the Meech Lake Accord.

Most Nova Scotians do not take great issue with the constitutional *status quo*. Not surprisingly, many say they are bored or even disgusted that their elected leaders and much of the energy of government will once again be distracted from what they see as far more pressing economic problems.

To these people I say we must be prepared to listen to the frustration and imperatives of our fellow Canadians if we wish them to be sensitive to our needs and concerns.

Without a united Canada there cannot be an economically strong Canada. This time it is the Canada round. I urge all Canadians to get onside and participate.

* * *

CFB CORNWALLIS

Mrs. Coline Campbell (South West Nova): Madam Speaker, I rise to bring to the attention of the House an endeavour put forth by the Committee for Base Cornwallis in the Annapolis—Digby area concerning a United Nations peacekeeping training centre. This would be a centre in which armed forces from other countries could be trained in Canada.

Canada is well known for its efforts on peacekeeping. This would extend our role as international peacekeepers if we could train for the United Nations' future peacekeepers.

About a month ago, Premier Cameron presented this proposal to the Prime Minister. This week, the Minister of National Defence told the committee nothing would be done.

I call upon the government to start negotiating with the United Nations to see if there are countries which would like to have their troops trained in Canada in peacekeeping. We have the facilities at CFB Cornwallis. We would welcome these foreign troops. Will the government at least pursue this matter with the United Nations.

* * *

AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I would like to ask today rhetorically where has the Minister of Agriculture been for the last seven months. The population of the farm community in Canada has been calling for farm payments for many months. Since spring, the New Democrats, the Saskatchewan New Democrats, the wheat pools, the National Farmers' Union have called for payments for farmers.

It just so happens that over the course of this period of time, the Minister of Agriculture, who is supposed to defend the interests of agriculture producers., has been saying that there is no money for farmers in western Canada. In Rosetown, his own constituency, he stood up and said there was no money for farmers. Yesterday, magically, there was $800 million announced. That was very appropriately timed, Madam Speaker.

Where was the minister when the people were calling for an agriculture payment? He was not there.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

Mr. Maurice Foster (Algoma): Madam Speaker, I want to put my question to the Minister of Agriculture.

Last year the government cut farm support programs by 40 per cent. This year the government has been stonewalling farmers' demands for emergency cash assistance. Now we learn that the government's announcement yesterday for farmers may not actually be paid for the next six months.

Why is the government refusing to make the payments to farmers now? These are farmers who are facing the loss of their farms, their homes and their livelihood this fall. Why is the government stonewalling?

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, the hon. member must realize that we are not stonewalling. We have been working with the farm industry over the last number of months. Our intent is to support agriculture, and we will be doing that.

Of the $1.5 billion that will flow between now and Christmas and of the $1.1 billion originally designed to flow from January to June, adding to it the announcement yesterday of an additional $800 million, will amount to on a seeded acreage basis, if you want to use that as a calculation, of $40 an acre assistance in the

programs that have been designed by the farmers, the provincial governments and the Government of Canada.

If the hon. member will reflect back to when he sat on the government benches when interest rates were at 24 per cent, when farm land was being taken over, when inflation was running at 13 per cent, he will recall that there was no—and I repeat, Madam Speaker, no—assistance coming from the government that he was part of.

Mr. Maurice Foster (Algoma): Madam Speaker, to the minister. The minister knows that we are talking about the emergency assistance—even though it was only 60 per cent of what was needed—that the government announced yesterday.

The minister knows that his senior officials have told farmers that they could make the payments within three to four weeks if they used the NISA program. What I want to ask the minister is this: Why does the government not use this program, stop stalling and get the cash out there now. It is needed now.

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, I am not too sure who the hon. member has been talking to, but I would like him to tell me. All the advice I have received has not only been from senior officials in the Department of Agriculture, but from farm groups. They have worked over the last seven days, at the request of the Prime Minister, along with the Minister of State for Grains and Oilseeds, the Minister of Finance and myself, to come forward with a program within the draft report received from that farm group, that industry group. They suggested that it was inappropriate for them to make a suggestion, a recommendation to the government, as to how the money should flow because they believed there was further work necessary.

• (1120)

I can inform the hon. member that that committee will be meeting on Tuesday of next week, recognizing that Monday is Thanksgiving. They will get together and design how the dollars will flow from this program.

Unlike other governments, we believe it is important to listen to the producers when it comes to giving them assistance.

Mr. Maurice Foster (Algoma): Madam Speaker, if he listens to the members of the third line of defence committee, they will tell him that they should make the payments and make them soon, just like his most senior officials have told those members of that committee that the payments could be made in three to four weeks if they used the NISA program.

Farmers have been suffering right across this country during this year because the government has refused to make the payments. I want to ask the minister if he thinks it is fair that this payment should have been held up and farmers should have suffered all year long so that the Prime Minister could make an announcement in the middle of the Saskatchewan election just to help his political buddy, Grant Devine, save his political skin.

Does he think that it is fair to make farmers suffer all year so that this announcement could be made in the middle of the Saskatchewan election, a cynical, political ploy? Do you think it is fair?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, if the hon. member had the best interests of the farmers at heart he would say to the government, as farm leaders have said to the government and to the Prime Minister who has given unprecedented support to agriculture in this country in the last seven years, that farmers recognize that we have a deficit in Canada. The Prime Minister recognized we had a deficit in Canada. The Prime Minister said to farm leaders: "I will do everything within his power to find assistance for you in this difficult time". The Prime Minister has done that.

I want to get back and say to the hon. member that I have a few quotes from farm leaders.

Some hon. members: Order.

Mr. McKnight: NDPers are calling "Order", because they will not like this.

"The Canadian government responded to the plight of thousands of farmers who risk losing their farms because of a continued subsidy between the United States and the European community", said the president of the Canadian Federation of Agriculture.

"That is 60 per cent of what has been identified as needed in the province. It is short but you know I don't

believe very many farmers are going to send cheques back and say it wasn't enough. It is vitally needed"—

Madam Deputy Speaker: I will interrupt the hon. minister. I think this is getting into a speech.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is also for the Minister of Agriculture. Yesterday, the minister gave us an announcement, after letting Canadian farmers languish for six months. But the minister has still not answered the question asked earlier. After waiting for six months, why must Canadian farmers now wait another six months for the Conservative government to get organized?

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, no one has said the producers should wait another six months. What we have said and will continue to say is that we will do everything within our power to make that money flow.

We have asked the third line defence committee to give us recommendations as to how it will flow.

But the member says that the government has done nothing over the past number of months. He will recall that NISA was announced in April and May of this year. He will recall that producers only have to file, and to fill out a form, and they can receive their NISA benefits. To this point, if we are going to be able to flow $1.5 billion to producers in Canada before December 31, we are going to have to have those forms returned. At this point we have had only 20 per cent of those forms returned to the NISA office.

It is available. It is there. Farmers need it, and I think from the quotes I have here that farmers appreciate it.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, with all due respect, the minister has still not answered the question. Farmers are going bankrupt every day, throughout Canada. The government has been asked for help—emergency assistance!—for six months.

Why must Canadian farmers be made to wait another six months before getting organized? Why not offer aid now, by Christmas? Help in farmers' pockets, before more go under!

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, why does the hon. member and why do the members of the Liberal Party not recognize that there is assistance available to producers in Canada?

That assistance has been available for over eight weeks. There are forms that are available. Producers now are starting to send them in. I say to the hon. member that it is not fair and it is not reasonable to say that there has been nothing done.

The member knows full well the support that has been given to agriculture across Canada by this government. We have available through the—

Mr. Foster: Oh, oh.

Mr. McKnight: The hon. member had an opportunity to ask his three questions. Now I am trying to reply to his colleague.

The hon. member knows that the NISA forms have been available. Farmers will fill them out. Support is available now. He also knows that cash advances up to $50,000 interest-free are available.

The hon. member is misrepresenting, maybe not deliberately; it may be because of lack of knowledge. We have a third line of defence committee made up of the industry. We are going to listen to it and we are going to do what we believe we can on its recommendation.

* * *

EMPLOYMENT

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is for the Acting Prime Minister.

Today the unemployment statistics are down slightly and that is certainly good news. However, there is still across the country a great human tragedy that is occurring, whether it is salaried workers who are unemployed, farmers, or small business.

What it has meant is a great loss of faith in this country and a great sense of despair. Surely a country in despair cannot be a country united. As the Acting Prime Minister will know, in many cities across this country school

lunch programs for hungry children are being created at a faster rate than jobs.

I want to ask the Acting Prime Minister: How does his government propose to address this human tragedy now? It is not just a statistic. It is a human tragedy when we have unemployment at double digit rates.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, indeed we were pleased to see that the statistics on unemployment had dropped somewhat, and that is a good sign. There is lots of good news out there today. I think that we can be negative and bring forward all the bad news, but there is a lot of good news out there and there is a lot of hope for Canadians. I think that is very important.

If we take a look at interest rates, they are dropping at fairly significant rates. I think that is most important for Canadians. It is obviously helping in the housing industry, as it is helping in other industries as well. We are also seeing all the legitimate economic prognosticators coming out with some very encouraging news for Canada, the latest being the International Monetary Fund which is projecting that real growth next year will be in the 3.8 per cent range and that in fact our inflation rate will be down to 2.8 per cent, the second lowest in the industrialized world. That is most encouraging.

The policies of the government are working. We promised that there would be a little growth this year, not spectacular, but a little growth that is starting to happen. We are very encouraged by those signs.

Hon. Audrey McLaughlin (Yukon): On a supplementary question, Madam Speaker, the fact remains that there are still 1.5 million unemployed in this country.

[*Translation*]

More than two million people live on welfare. All those who are no longer looking are not part of the statistics. This government does not lack ideas to ensure the prosperity of the rich and powerful. Where are its ideas to ensure the prosperity of those who are desperate? Now!

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, there are programs in place to help these people. Those programs are helping these people at the present time. The important thing is to get the economy back on track to create jobs. That is the best method of solving the poverty problem and getting people off unemployment insurance and off welfare.

That is the plan of this government in co-operation, I might say, with most other provinces in the country in trying to get our fiscal house in order so that in fact we can have employment created in this country, get people off welfare, off unemployment insurance, and back on the working rolls where they rightfully belong.

• (1130)

Hon. Audrey McLaughlin (Yukon): Madam Speaker, clearly it has been the high interest policy, the high dollar policy of this government and the trade deal that have led us to this situation. Canadians are not going to believe that those people who led us into this tragedy are going to lead us out of it.

When the minister says that the statistics are improving, that the recovery is under way, who is it under way for? We saw 7,000 farmers this week demonstrating. We see people going from the unemployed rolls to the welfare rolls.

I want to ask the minister: When is this government going to make full employment in this country a priority so that we do not have to deal with the human tragedy of children going hungry, food banks increasing and the homeless increasing and get Canadians back working?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, the hon. member mentioned farmers. I think the Minister of Agriculture yesterday made a very profound statement to help farmers out in their difficult times and he should be congratulated for that.

The hon. member mentioned the trade deal. All the manufacturing industry will tell you that the trade deal has helped them through these difficult times, and that in fact if they had not had the trade deal the recession would have been a lot worse.

Some hon. members: Oh, oh.

Mr. McDermid: That is a fact and that has been stated clearly by industrialists in this country.

I am mystified at the hon. member talking about the high interest rate policy of this government. Interest rates today are lower than they were four years ago. The highest interest rate was over a year ago at around 14 per cent. If you want to talk about high interest rates, talk about 22 per cent interest rates back in 1982 and 1983. That was high interest. Now they are coming down and

we are going to keep them down because we are getting inflation down. That is going to help the—

Madam Deputy Speaker: We are getting into a speech again.

* * *

FISHERIES

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, the government claimed in this House yesterday that it was concerned about our cod fishing resource and conservation of that resource in eastern Canada.

I want to ask the Secretary of State for External Affairs: Why then did Canada sit down recently with nine other nations and decide to reopen a cod fishing zone that is internationally recognized as a cod spawning zone, 290 miles east of St. John's, Newfoundland, against the advice of our own scientists and give to nine foreign nations 13,000 tonnes of cod and to Canada 100 tonnes?

Some hon. members: Shame, shame.

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, on behalf of the minister let me respond to this question.

The zone to which the hon. member refers is one of those that straddles the 200-mile zone, not directly associated with the interests of Canadian fisheries. My recollection is that we voted to extend the moratorium for conservation purposes at NAFO and the hon. member's information would therefore be wrong.

Not only that, we do have the support of other nations to keep the Spanish and the Portuguese fleets, the rascals that have been overfishing in that zone, in line.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, the Government of Canada abstained from voting in 1991 at that meeting and went along with it for 1992. It is agreements like this that will destroy forever and an eternity the very fish in our ocean.

Is there any limit to the efforts of the Department of External Affairs to satisfy every fishing country in this world except Canada? What was the Secretary of State for External Affairs doing yesterday? She was meeting with representatives of the Government of Denmark and claiming they were talking about fish conservation, when Denmark will receive 29 times the quota of Canada in that zone for 1992. Why, the Danes must be laughing all the way to the fishing bank.

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, all I know is that many of the problems that we are facing in the fisheries today, particularly in our relations with the international fishing fleets, are problems that we inherited from our predecessors.

While this member is standing in his place here pontificating about historical problems, the Minister of Fisheries and Oceans is down there in the trenches trying to fix some of the problems that were created by those people over there.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, perhaps I could say to the hon. minister that it would be much better if the minister of fisheries got out of the trenches and back into the House of Commons so we could deal with the important fisheries problems of this country. That is where we need him.

I have this question. We are seeing the collapse of the resource industries right across Canada. We have seen announcements now dealing with the western farmer and to some extent with eastern fishermen. What we have not had a response to is the plight of the fishermen in the prairie region, the inland freshwater fisheries, who are now also facing collapse because of the cutbacks and pullbacks of support.

I want to ask the government: Why has it refused to deal with that request and come to the aid of the inland freshwater fishing industry of Canada?

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, the hon. member knows that there is a marketing system in place, one that is policed and managed by the fishermen themselves. There has been all kinds of programs put in place to save that fishery and to restore it to its health and prosperity. It just does not help to be standing here and pontificating about these problems. Every once and a while you have to get out and deal with

them on site and help the fishermen. The hon. member never did that.

Hon. Lloyd Axworthy (Winnipeg South Centre): That is exactly what I did this summer. I met with the fishermen of inland Manitoba, something the minister of fisheries refused to do.

Madam Speaker, I want to point out that the Government of Canada participated along with its provincial counterparts in a report and study that I initiated to deal with the plight of fishermen. Half the fishermen in that province are of native origin. I want to ask the Minister of Indian Affairs and Northern Development: considering that these recommendations have been available since last February, why has this minister and this government refused to take any action for eight months to deal with the plight of fishermen and what will result in the destruction of the lake communities and northern communities of Manitoba unless this minister does something about it? Why are you so late?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, the report that the hon. member speaks of would be much more useful to me if he would send it to me directly and speak to me about it.

Furthermore, I am extremely concerned about the importance of the freshwater fisheries to the native communities of northern Manitoba and the northern prairie provinces. It was the Liberal government, I believe, in the late 1970s that took the authority for the fisheries and the benefit of the fisheries away from the native people of Manitoba and put it into the hands of a Crown corporation they created, which has destroyed the freedom of the fishermen individually to produce and market their product.

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[*Translation*]

CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. Phillip Edmonston (Chambly): Madam Speaker, in the absence of the Solicitor General, I will direct my question to the Minister of Justice. A former agent of the Canadian Security Intelligence Service, Guy Chamberland, a constituent of mine, says that he was contaminated by bacteria during a top-secret search of debris from the Soviet consulate in Montreal after the fire of January 1987.

My question is: Since this search was part of "Project F" (for fire) and other agents were involved, I ask the Minister of Justice how many other agents were involved. Why does the department refuse to compensate my constituent? And how many other people, organizations or political parties were the targets of these spies, the federal government's amateur garbage cleaners, in direct contravention of the Charter of Rights and Freedoms?

[*English*]

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Madam Speaker, I would respectfully suggest that that is a question more appropriate for the Order Paper. The hon. member will know that it is the policy of the government not to comment on the operational activities of the service.

With respect to his constituent, I understand that legal proceedings are ongoing, and I think it would be inappropriate for me to comment on them at this time in the House.

Madam Deputy Speaker: Considering the hon. minister's answer, I would advise the hon. member to be very careful in his supplemental.

• (1140)

Mr. Phillip Edmonston (Chambly): Madam Speaker, I understand that there are certain things which are *sub judice* and that we have to be careful in this House.

However, in a general sense, I am asking a question about a practice of this government and the direct violation of the charter of rights and liberties where people are having their garbage looked into and their agents, probably because of budget cuts, are inadequately protected.

I would like for the minister, not for the Order Paper, to confer if possible with the Solicitor General and perhaps we can have this thing at least aired out so that my constituent will be able to get some kind of help from the government.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Madam Speaker, I would be very happy to bring the hon. member's comments to the attention of my colleague, the Solicitor General.

CN RAIL

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, my question is for the minister who is answering for the Minister of Transport.

CN's own accounting staff has done an examination which shows that CN has the worst productivity of any railroad in North America and on the average has twice as many administrative workers as any railroad in the United States.

Why is the government standing by and allowing branch lines to be cut by CN, when CN is allowing themselves to have such a generous administration staff? Why is the government paying these fat bonuses to CN executives? Why does the government not order CN to stop its privatization and start serving the Canadian people?

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I think the hon. member is asking a fallacious question. Obviously CN is acting in the best interests of its shareholders and not as has been suggested by the member.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, it seems that the best interests of CN are for the government to pay fat bonuses so they can cut branch rail lines and run the most inefficient railroad in North America to save their own skins.

Why is the government allowing this to happen? Why is the government allowing the CN to run this kind of railroad? Why does the government not say to CN: "Look at your own offices instead of cutting branch lines in Nova Scotia."

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, the hon. member has just stated the obvious.

Canadian National has recognized its inefficiency. Every time Canadian National, on behalf of the shareholders of Canada, takes steps to become more efficient, the members in the opposition say: "Do not do that. We have to keep operating as we were 50 years ago."

What the Canadian National management has recognized is their own inefficiency. It is taking steps to serve the shareholders in a much better manner.

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EXTERNAL AFFAIRS

Mrs. Christine Stewart (Northumberland): Madam Speaker, I wish to pose questions on foreign policy positions. In the absence of the Prime Minister and the minister, I will pose them to the Acting Prime Minister.

At the Commonwealth Conference to be held in Zimbabwe next week, continuing sanctions against South Africa's apartheid regime will be a major topic of discussion. In view of the fact that Europe and the United States have dropped economic sanctions against South Africa but black South Africa leaders and front-line states are calling for maintaining economic sanctions, what will the position of Canada be at the Commonwealth Conference?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, as my hon. friend is well aware, the Secretary of State for External Affairs has been the chair of the group of foreign ministers who have been reviewing these matters.

She will be with the Prime Minister presenting the conclusions of the working group of which she has been the chair and the heads of government will be responding to those recommendations. Out of that will flow a recommendation and a decision.

Mrs. Christine Stewart (Northumberland): Madam Speaker, the situation in Yugoslavia continues to deteriorate as we see the failure of yet another cease-fire.

Guarantees of safe passage and of humanitarian assistance have been sabotaged. For too long we have had no answer to questions about Canada's efforts at the United Nations to deal with the situation.

I ask again today; what proposals is Canada presenting to press the United Nations' response to this critically violent and internationally peace threatening situation in Yugoslavia?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I think my hon. friend is very much aware of the initiative that was taken by the Prime

Minister in seeking the involvement of the United Nations in this crisis because it ceased to become, in our judgment, simply an internal affair but a matter which had international implications.

We are working with representatives in the United Nations. We are working with the European community in trying to put in an international effort there which will involve peacekeeping, which could involve sanctions and, out of that, hopefully maintenance of the cease-fire and the cessation of the loss of life that has arisen from the violence.

I think the position of Canada has been very straightforward, very open and one of leadership in trying to resolve a very, very difficult situation.

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METRO TORONTO

Hon. Alan Redway (Don Valley East): Madam Speaker, my question is for the minister of industry.

In spite of the deficit and our growing national debt, the government has, quite rightly, found money for our hard pressed farmers.

I would like to ask the minister, however, what the government intends to do for metropolitan Toronto, where the unemployment rate has been in excess of the national average, where recently McDonnell Douglas has announced layoffs of an additional 1,000 employees, de Havilland 1,300 more, Philips another 300, where there are already 127,000 on the unemployment insurance rolls and an additional 65,000 on welfare because their unemployment insurance benefits have run out and there are no jobs available?

The Diefenbaker government provided a program of winter works. What does the—

Madam Deputy Speaker: Will the hon. member put his question, please.

Mr. Wilson (Etobicoke Centre): I am not sure that I heard the question, Madam Speaker, but I think I can—

Madam Deputy Speaker: If I may help the hon. minister. I did interrupt the member asking would he please put his question. The preamble was very, very long and I would like him to put a very specific question.

Mr. Redway: Madam Speaker, I think I did put a very specific question quite early. I asked what the government was going to do for metropolitan Toronto in light of all those very difficult economic situations.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I think the best thing we can possibly do for the city of metropolitan Toronto, as is the case with economies right across the country, is continue to get interest rates down.

We are starting to see the impact of those lower interest rates in housing starts. For the last five months, housing starts have been over 150,000. They are up substantially from the early months of this year.

We have seen an improvement in automobile sales. That helps the golden horseshoe market with the involvements of General Motors and Ford.

My hon. friend referred to the very difficult situation in de Havilland. We are working very closely with the province of Ontario, with the Boeing Aircraft Company and with others which are interested in the resolution of the ownership situation with de Havilland. It is the uncertainty of that ownership which is troublesome. We are hopeful that with the active involvement of all parties we will be able to resolve that shortly.

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SHIPBUILDING

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, last Friday I put a question to the minister responsible for shipbuilding policy. Quite appropriately, the minister of state for small business answered, because that is what it has become in Ontario and on the Pacific coast.

He has had a week to think about my question. I want to ask the minister what specific assistance will be given to those shipyards in Ontario and in British Columbia who find themselves without either repair work or construction work on a long-term basis?

Hon. Paul Dick (Minister of Supply and Services): Madam Speaker, if the shipyard owners are restructuring they can make an application for restructuring. There has been a restructuring fund in place for about five of six years and all workers are being treated equally.

At the present time, there are discussions on restructuring of the shipping industry on the west coast. There has been no decision made of any changes in the shipbuilding industry on the Great Lakes at this time, although there may well be an application forwarded to the government.

• (1150)

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, the minister should realize that Ontario already has restructured by closing Collingwood, leaving only two yards, one in Thunder Bay, one in St. Catharines. There is not enough repair work on the lakes to sustain two yards. Even the contract that is going to Port Weller will not start for at least one year. They are in difficulty from now until then.

I do not think Canadians want further restructuring, meaning the further closure of yards. They need work. The federal government has the responsibility to ensure that they have access to work. What is this government going to do?

Hon. Paul Dick (Minister of Supply and Services): The hon. member's question begs the answer because he says there is not enough work, there is not enough repair work going on in shipping. If there is not enough repair work and enough overhaul work because not enough ships want to go into the shipyards to have this done, we just cannot artificially have the people sitting there waiting and collecting fees. We have got to have the work done.

There is very little shipbuilding going on in this country. The only people who build ships in this country today happen to be the Government of Canada and the provincial governments and ferry boats.

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EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, the Commission of Inquiry on Canadian University Education has reported that there is a need to place greater importance on distance education, on continuing education and on the internationalization of education. It pointed out that there is a need to attract more students from aboriginal backgrounds, students from less affluent families, as well as handicapped Canadians and women. It has also pointed out that there is a need to produce funding to match that provided to U.S. state universities.

My question for the Secretary of State is this. How and when will this government act so that we can regain Canada's competitiveness?

Hon. Robert de Cotret (Secretary of State of Canada): Madam Speaker, I was quite happy to receive the report of Dr. Stuart Smith earlier this week. As my hon. colleague well knows, my department was very pleased to provide support for the work of the commission.

We are looking at the recommendations very closely. We find that many of those recommendations present an interesting possibility for the government to act. I will be reporting back to the House as soon as that review is completed and that should be very shortly.

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, why hasn't the minister used his Student Loans Program to help these people, and I am referring to students on low incomes, women, the disabled and aboriginal people? Why hasn't he done something? When is he going to do something? Could he be more specific?

Hon. Robert de Cotret (Secretary of State of Canada): Madam Speaker, I have already answered the hon. member's question more than once. I have told him on many occasions that the Student Loans Program is already 27 years old, has never been changed and needs a thorough going over.

The hon. member must know that this program is administered jointly with the provinces. Preparations for a thorough revision of this program are well advanced. After discussions with the provinces, in a few months we will be in a position to announce a program that meets the demands of the nineties and the twenty–first century, instead of the sixties.

[*English*]

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I have a question for the same minister. The European Community spends in excess of 30 per cent of the gross domestic product on social programs and education. Here in Canada we only spend 24 per cent of our gross domestic product on education.

My question for the minister is this. When is this government going to start catching up to the rest of the world and when is it going to close the gap?

Hon. Robert de Cotret (Secretary of State of Canada): Madam Speaker, I do not want to get into a debating match as to how much we spend compared to other countries. On a per capita basis we spend as much or more than any other—

Mr. Andre: As a percentage of GDP, second only to Sweden.

Mr. de Cotret: Absolutely.

Madam Speaker, that is the very purpose of the announcement in the Speech from the Throne, that this government wants to have a new training policy in this country because we are not happy with the results we are getting for the huge amounts of money this country spends on education. That initiative is going along very well.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, we have yet to see that paper. It is somewhere in the bureaucracy, or in the political arena.

I want to indicate to the minister that in the last five years the government has cut $3.2 billion from transfer payments for education and now the government funds will not keep up with inflation.

Why is this government cutting and freezing funding for post-secondary education when 40 per cent of all jobs in the country will require at least 16 years of training by the year 2000? When is this government going to wake up and smell the coffee?

Hon. Robert de Cotret (Secretary of State of Canada): Madam Speaker, certainly sooner than the hon. member opposite will wake up and read the statistics. We have been increasing payments to education every year and that is the fact, so I wish he would look at the statistics more closely.

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CANADIAN ARMED FORCES

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I am glad I got recognized because my question fits into the reform of Parliament where members will be taking next week off and going back to their ridings. It will be very interesting to get the playback from the people in the grassroots as to this question which arises from sort of the Keystone Cops, Gilbert and Sullivan situation we had here for the last two days on the official policy of gays in the military service.

I would like to know from whoever is answering for the government, perhaps the Acting Prime Minister, if we could find out today what the situation is in terms of government policy and the strange situation that there is a press release from the Pentagon quoting the Chief of Staff on this policy. Are the gays officially in or are they out?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, as you know there is an interim policy in place and no announcement has been made concerning any changes in the policy of employment of homosexuals in the Canadian forces. Any changes in the current policy will be announced by the Chief of Defence Staff in due course.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I appreciate the answer. My supplementary has to do with another rumour affecting the military that I am sure the government House leader is aware of, and if not we will certainly find out so that the people in the grassroots can again respond on things that people in the grassroots understand.

They do not have to have economic dogma on this thing because there is a very current rumour that the Victoria Cross which at the moment is the highest decoration for gallantry against an enemy—it is not a peacetime thing as we all know—will be eliminated through processes within the chancellery as the highest decoration for gallantry in the military force. Could the government House leader give me a statement on that?

In 1988 all peacekeeping forces of other nations got the Nobel peace prize, and since 1988 I understand that our military forces and those involved in peacekeeping are still waiting for a UN peace decoration or medal. Could you give me the answer on that so again grassroots people in the hinterland could give some pressure—

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, on the question about the Victoria Cross or what is to be and what will be the highest medal for gallantry while serving in the Armed Forces, I cannot give the hon. member that answer. I will have to get back to him. I know that there is a lot of work going on in terms of ensuring that our service personnel, as they serve frequently under great personal risk in these

peacekeeping situations around the world, will have that service adequately recognized by medals.

There have been a number of things done in the recent past, but I cannot on the spur of the moment give the hon. member an up-to-date comment, but I will have the department of defence get in touch with him to inform him.

* * *

IMMIGRATION

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, my question is for the Acting Prime Minister.

Today *The Toronto Star* reported that a refugee board had refused a refugee claim made by an Iranian woman. The woman had been viciously whipped with a wire cable because she was not wearing a veil. The woman later lost her job.

The refugee board's decision makes it clear that they do not consider this a violation of her fundamental human rights.

• (1200)

Instead, they merely called it a crime that the religious laws of that country were being followed. Will the Acting Prime Minister act immediately to ensure that this woman is not deported, and that the refugee panels are immediately instructed to treat human rights violations based on gender seriously?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Madam Speaker, I can take the hon. member's recommendation as notice, but I would nevertheless like to make it clear that as a government we have a reputation for respecting the rights and freedoms of the individual.

I am sure that when processing this case, we will do everything we can, through our Immigration programs and policies, to ensure that the rights and freedoms of this woman are respected.

[*English*]

Madam Deputy Speaker: The hon. member for New Westminster—Burnaby will allow me to give another question to somebody else, as this question has been taken on notice.

EMPLOYMENT

Ms. Sheila Copps (Hamilton East): Madam Speaker, Canadians were certainly pleased to see the job figures today.

However, we have a real concern. Many economists are saying that the numbers of people looking for jobs are going down because so many people are hopeless. They have simply given up hope.

There are 844 people in my riding who received notices this week that they will be laid off permanently, forever, from the Steel Company of Canada.

Given the lay-offs pending at Stelco and the lay-offs announced last week at Consumers' Glass and the potential for a further 900 lay-offs at that company, when will the government bring in a sane dollar policy to allow Canadian companies to start exporting successfully to save Canadian jobs? We are begging the government to bring in a sane monetary policy.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I should say to the hon. member that the other side of the Stelco announcement she refers to is a reduction from approximately 1,800 people being laid off to only 800.

That demonstrates that there are new orders coming into Stelco which have allowed them to reduce that lay-off. Hopefully in a short period of time there will be a further reduction in the number of people laid off.

My hon. friend raises the question of the Canadian dollar. As has been the case in the past, the federal government does not control the level of the Canadian dollar. It does not control it now any more than it controlled it when her seatmate was the Minister of Finance some 10 or 12 years ago.

Mr. Chrétien: It went down.

Mr. Wilson (Etobicoke Centre): The hon. member is proud of the fact that the Canadian dollar went down during the time he was in office. It went down when he was in office because the people in the international markets had no confidence whatsoever in the policies being followed by the government he was a part of at that time.

Ms. Sheila Copps (Hamilton East): Madam Speaker, the government does control trade policy.

Right now this government is barrelling full steam ahead with the Canada–U.S.–Mexico deal at a time when Consumer's Glass, in my riding, risks the loss of 900 jobs because it is losing orders to Mexico.

When is this minister's government going to introduce some policies to help save the industrial heartland of this country that is bleeding, and bleeding badly?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I think it is very clear that what the government has been doing is bringing down interest rates.

It is helping by bringing about the recovery that is under way right now. My hon. friend talks about some job loss. She is ignoring the fact that in Brantford Intercity 300 more jobs were announced by Freightliner.

I was in Windsor yesterday. A number of announcements have been made in recent months by Chrysler, Ford and Southam Press, which has announced a $40,000 expansion in Windsor.

I think the hon. member is doing exactly the disservice to the country of which she is accusing the government. When she only talks doom and gloom, she contributes to the lack of confidence she is concerned about.

If she would have a more balanced approach and talk about the positives as well as the negatives, possibly she would address the problem she is so concerned about.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments.

Pursuant to the provisions of Standing Order 110(1), these Orders in Council stand referred to the appropriate standing committees, a list of which is attached.

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, in the course of the Oral Question Period which we just completed, my very good and hon. friend from Gander—Grand Falls, obviously swimming in the current of his own enthusiasm, made a statement that is at variance with the facts.

Canada did vote for the extension of the moratorium of the fish catches at the 3N zone and against the establishment of quotas. I wish the record to show that.

ORAL QUESTION PERIOD

Mr. Rod Murphy (Churchill): Madam Speaker, during Oral Question Period when the member for New Westminster—Burnaby asked a question, the minister said she would take it under advisement.

Unfortunately, because you decided that was a reason for her not being allowed a supplementary, there was more information that the member did not have a chance to indicate.

For example, the woman is going to be deported this coming Wednesday and it requires urgent action. Had she been allowed to ask that second question, the minister would be in a better position to act.

Madam Deputy Speaker: I do take the representation from the hon. member very seriously. I can assure him it was not a question of not wanting the hon. member to add to the information. I am sure the minister is still around and she will be able to do it.

I was trying to allow as many people as possible to ask questions. I am actually quite proud that we did have 30 questions today during our 45 minutes of oral questions. So I think it is an improvement on many days.

I do apologize to the hon. member and I am sure that someone on my right will make sure that further information that should and could be helpful will reach the minister as soon as possible. I do apologize. It was not a question of cutting the hon. member off in any way.

* * *

BILL C–17

REPORT OF LEGISLATIVE COMMITTEE

Mr. Blaine A. Thacker (Lethbridge): Madam Speaker, I have the honour to present, in both official languages, the report of Legislative Committee H on Bill C–17, an act to amend the Criminal Code and the Customs Tariff in consequence thereof, with amendments.

Madam Speaker, as you well know, this bill once again opened up for debate by our fellow Canadians the

balance between our right to own and use firearms and our right to security. I want to assure you, Madam Speaker, that the members of Parliament serving on this committee from the three parties and one independent, worked long and hard on this bill and that the amendments truly reflect the evidence which we heard.

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

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ATOMIC ENERGY CONTROL ACT

MEASURE TO AMEND

Mr. John Harvard (Winnipeg St. James) moved for leave to introduce Bill C-313, an act to amend the Atomic Energy Control Act (engine development and exportation of atomic energy materials and equipment).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

• (1210)

Mr. Harvard: Madam Speaker, there are many concerns about the use of nuclear energy in this country as there are in other countries as well. There are also concerns about the sale of nuclear materials and equipment to foreign countries.

The purpose of this bill is to generate debate on the issue and to have an investigation by this House of our nuclear industry.

Madam Deputy Speaker: Mr. Harvard moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Mr. John Harvard (Winnipeg St. James) moved for leave to introduce Bill C-314, an act to amend the Income Tax Act (disability pension).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Harvard: Madam Speaker, the purpose of this particular bill is to bring more fairness to our income tax system. Under our current law, workers' compensation benefits are exempt from income tax while pension benefits are taxable. This bill addresses this inequity.

Madam Deputy Speaker: Mr. Harvard moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

EDUCATION

Mr. Mac Harb (Ottawa Centre): Madam Speaker, it gives me great pleasure to introduce a petition signed by Canadians from all across the land who are calling on the government to set up, or to establish, national education standards in consultation with national institutions, the provincial governments, educational professionals, industry and labour, parents, youths, volunteer organizations and individual Canadians.

JUSTICE

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, it is my privilege to present a petition signed by residents of my riding of Hamilton Mountain and from various parts of Ontario: Pickering, Toronto, Kitchener and Oakville.

These petitioners are supporting the parents of Nina De Villiers in their request that Parliament recognize that crimes of violence against a person are serious and abhorrent to society. They ask the government to amend the Criminal Code of Canada, the Bail Reform Act of 1992 and the Parole Act accordingly.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have a petition from a number of Canadians, in conformity with the rules and regulations of the House of Commons. It is being presented as a protest against the government's policies on education.

These individuals point out that the government talks about globalization, competitiveness and productivity. Yet, at the same time, it cut the transfers to the provinces for education this year by almost $500 million and imposed taxes such as the goods and services tax on student services. These petitioners are very angry at the 3 per cent administrative tax on student loans, the one where one has to pay cash before getting the loan.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—SMALL BUSINESS

The House resumed consideration of the motion of Mr. Mills (p. 3627).

Madam Deputy Speaker: At eleven o'clock there were two minutes left for the hon. member for Essex—Windsor. After this we will go to the period of questions or comments.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, in a quick two minutes, let me say in summary that this government has failed the country because it has not dealt successfully with the human tragedy of unemployment. It has not created the kind of fairness in our tax system which should characterize this country and it has not given us the balanced and fair growth across Canada which would be the basis on which we could build a unified country.

It has also been an irresponsible government in the extreme so far as its financial affairs are concerned. In a period of seven years this government has more than doubled the national debt of this country. It has done so through tax giveaways to large corporations, and to rich and powerful individuals. It has not done so in a way that has helped the country. It has instead acted out its irresponsibility in such a way that our hands have been tied so far as responding to the seriousness of the recession which we have been experiencing as a country.

In short, Madam Speaker, I think this government deserves nothing but shame as it stands before the House of Commons to try to defend its policies.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, I want to ask the hon. member a question. He is speaking on a motion that has to do with small business and I heard almost nothing about small business in his whole presentation, except when he made reference to the GST. Over the whole length of last year, when the GST was before the House, he quoted continually John Bulloch of the Canadian Federation of Independent Business. John Bulloch just a few weeks ago had something to say about the member's party in office in Queen's Park, and I would like to have his response to this.

John Bulloch said about the NDP government in Ontario: "They are very ideological, naive, and quite incompetent". He said: "Out of a survey that was taken, 36 per cent of respondents are considering moving some or all of their operations out of the province". The problem, said Bulloch, was taxes, the recent Ontario budget, the provincial government's apparent bias against business and proposals to change provincial labour laws that would make it easier for the union to organize.

"Consulting this government", said Mr. Bulloch, "is like consulting a tree; I don't even think they understand what you are saying. There isn't anybody here who has even run a lemonade stand".

I would like to ask the hon. member: Is there anyone on his side who has run a lemonade stand?

Mr. Langdon: I am not certain, Madam Speaker, if any person on this side, or on that side for that matter, has worked their way through university by running a lemonade stand. But it would seem to me that the issue might have more to do with running important institutions and balancing budgets, which many of us on this side of the House have done.

I did want to say something about the study that the minister referred to because we had some very interesting conversation about this in the finance committee just yesterday, or possibly the day before. It turns out that the interesting statistic is that the CFIB distributed over 40,000 copies of its survey. Over 30,000 businesses in Ontario, small businesses that are part of CFIB, felt that this was so irrelevant that they did not even bother answering it. So, the 36 per cent that the minister quotes is 36 per cent of the very small number of companies that felt strongly enough about the issue to send the report back. This was not a sample survey or anything scientific. In fact, it would seem to me that if three-quarters of the small businesses in Ontario do not feel the need to send back something critical of the budget, that is actually a reasonably good record for the province of Ontario.

• (1220)

Mr. Hockin: You quote them on the GST. Continue serving on the GST.

Mr. Langdon: The minister suggests I quote them on the GST. On the GST they are talking about the impact of the GST with respect to small business. They know a great deal about that.

It seems to me that the minister should have spent a great deal more time listening to the CFIB and to other small business groups across the country. The GST would not have had the negative impact it had on the tourist sector, which he was forced to admit this morning during his news conference.

He has mentioned that there are proposals for improvements in labour laws in the province of Ontario. I am very proud of those proposals for changing labour laws. I think that labour peace can be achieved, as it has been achieved in the province in Quebec, much better by saying when there is a strike that takes place, strike-breaking should not occur.

I would be interested if the minister is going to stand up and speak in favour of strike-breaking. I would hope not.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I have listened to the NDP in this House almost constantly. They stand up and they criticize and they criticize. They are great knockers. They are "anti" just about everything. They are members of the coalition of "antis". But I have never heard one idea, one suggestion, one recommendation from the hon. member as to what we in this House could do to try and improve the spirit, the morale and the confidence that does not exist within the 900,000 entrepreneurs of this country.

I get a little nervous when I do not hear any ideas from the NDP. I was just reading a report card here. It is called *The Interim Report Card on the Policies of the Government of Ontario in the First Eight Months*. It has been put out by a rather right-wing organization, I must confess, the Fraser Institute—

An hon. member: I thought they were left.

Mr. Hockin: Objective.

An hon. member: Did you say Tory?

Mr. Mills: Parts of it are objective. But the point is that the NDP always talk a good game. Here is an instance where they got into power in the province of Ontario, and they are causing such fear and such a loss of confidence that this is exacerbating the lack of confidence problem that exists in this country.

My question is quite specific to the hon. member. What would he do, what specifics would he put forward to the government, if he had the challenge of operating this government?

Mr. Langdon: Madam Speaker, in commenting on the opposition day motion which the Liberal member has put forward, it did not seem to me to be my role to attempt to steal his thunder in putting his suggestions forward, but instead to make an evaluation of the government.

I certainly will send to the member for Broadview—Greenwood the 22-page document on economic recovery in this economy which our caucus issued this summer. It is full of detailed suggestions, and quite a few new ideas which he may even find useful to incorporate in a future motion.

With respect to the Fraser Institute study, I think that as the ammunition is shot from both sides of the ideological debate, as we get the CFIB or the Fraser Institute taking pot-shots, as we get parts of the labour movement taking pot-shots from the other side, it is important to look at the objective evidence. The objective evidence before us today shows quite dramatically that the rest of the country has remained about stagnant in terms of reducing unemployment, while in the province of Ontario there was the greatest decrease of unemployment in any region of this country, from 9.9 to 9.2 per cent. That means 40,000 fewer people are unemployed.

Again, there is a mistake in the member's suggestion that those on welfare are not counted. This is a sample survey. It includes people who are on welfare. It includes people who are on UI. It includes people who are on neither. It is a full sample so it gives us a clear picture of what has happened to unemployment. That clear picture shows that in one province, which is headed by the single New Democrat government in this country, there is marked progress in reducing unemployment.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, first of all I want to congratulate the opposition for bringing forth a motion that at least parenthetically deals with small business. This House has not had much of an opportunity under the aegis of opposition days to debate small business and recognize the importance that entrepreneurs play in the life of our country and the creation of jobs in Canada.

Eighty-three per cent of all jobs created in Canada since 1984 have been created by small business.

I guess the opposition does not use its days for this because the NDP and the Liberals are generally not too interested in the private sector. They are more interested in the public sector.

Some hon. members: Oh, oh.

Mr. Hockin: So I do commend my hon. friend on the Liberal side for bringing forward this motion. It dwells primarily on macro-economic matters, on the high dollar and on interest rates. I would like to say a word about that before giving a more systematic recital of what has been happening in terms of government leadership for small business in Canada.

There is an alternative to what we are doing as a government. The clearest alternative is to do what this motion suggests. This motion suggests that we devalue the dollar to, let's say, 81 cents and let interest rates rise. That is the alternative.

There was a real-world alternative when that happened. That was in 1981. The dollar was worth 81 cents. The hon. member does not like me reminding the House of this, but this is reality. This actually happened. I had mortgages on my homes. Everyone in this House probably had debts they had to pay.

In 1981 exactly what this motion asks happened, interest rates were allowed to go up. Ten years ago today interest rates were 20 per cent. They also want the dollar to go down to 81 cents. That also existed 10 years ago.

What happened 10 years ago? Over 360,000 manufacturing jobs were lost during the period from 1981 to 1982, over twice as many as we have suffered in this recent recession. Second, there was a haemorrhage of spending which has saddled us with a debt which will take us decades to eliminate.

That is the alternative and that is what this motion is asking us to return to. I do not think that any Canadians sitting here in the gallery or watching this debate want to return to 1981-82. The motion invites us to do that.

Let me go from there and start talking about small business more specifically. Let me begin with a little story. I was invited to speak to the 500 fastest growing companies in the United States. Before I spoke there was a breakfast speaker. He was an evangelical speaker who was talking about the loneliness of being an entrepreneur in the United States.

In his speech he developed the theme of how lonely it is to be an entrepreneur, and indeed it is in all countries. In the American context it seemed especially true. He said: "You know, when business is bad, when competition is getting better, you are finding that you can't survive as well from week to week. It looks like you are not bringing so much home to your family as you would like each week. When you tell your spouse that things are going from bad to worse, that you have moved from the fast lane to the oncoming lane", as he called it. He went on to develop this theme of loneliness for the entrepreneur. He said: "We entrepreneurs sleep like babies. We wake up every three hours and cry". He developed this theme of loneliness.

• (1230)

I sat there as a Canadian minister. I thought that maybe in the United States entrepreneurs are completely lonely. In any country those who invest their resources and take risks ultimately are responsible. However we in Canada have done a number of things to help the entrepreneur and make him or her less lonely, especially in the regions of this country. The hon. member for Essex—Windsor mentioned the regional imbalances in Canada. We have put in place a number of programs to make entrepreneurs, especially in disadvantaged regions, less lonely and to help them.

We have done it with a different philosophy than that which preceded us. What preceded us was an indiscriminate throwing of money at everything, from painting churches to building lemonade stands to Lord knows what. The Trudeau government, through a bunch of programs—PIP, ZIP and DIP and all these different programs—indiscriminately threw money at businesses whether they needed it or not.

We have tried to bring a Conservative philosophy to the promotion of small business. We have said that we will continue with our programs through the regional agencies to help agencies help entrepreneurs. We will continue with our very powerfully effective program for natives. Over 1,000 small businesses have been created on and off reserves through our programs. However we will do it differently than the Liberals did it, and

certainly the NDP has done it when it has been able to govern a province.

The different way is this. We will give loans but we will not give outright grants. At $100,000 or below we still have some outright grants. Above that figure, we help businesses through loans. We also suggest when making loans that there be substantial equity participation by the owners. As a result, we have a series of programs with a Conservative philosophy which have helped bring dynamism to the regions of this country which have not experienced it before.

[*Translation*]

Madam Speaker, Canadian small businesses do not want any hand-holding, not by the federal government or any other level of government. That is why the business community has said quite clearly: Stop intervening on the market and stop giving subsidies or grants to business. That is exactly what we have done, Madam Speaker.

At the behest of the Leader of the Government in the House, and ever since the Finance Minister's Budget was brought down, we have practically eliminated subsidies and grants, introducing repayable loans instead.That is what we have done. We now have programs that provide an incentive for entrepreneurs to modernize and start new companies, but we also ask entrepreneurs to invest. That is our philosophy.

[*English*]

Let me just go through some of the programs we are now putting into the marketplace to help the entrepreneur in this uniquely Conservative way. I just came back from northern Ontario, where I was for the last two days. We have a program in northern Ontario called FEDNOR. It was initiated in 1987. Over 436 small businesses have been helped right across northern Ontario. This program is sprinkled right from one end of northern Ontario to the other, from Kenora all the way over to Kirkland Lake.

These projects that we have approved have been very successful. We have had almost no failures, even in the past year when the economy has turned down. The dollars spent through FEDNOR are $36 million, but it has levered two or three times more money than that from the private sector and as of yesterday we announced that 3,002 jobs have been created or maintained as a result of FEDNOR in northern Ontario. I am very proud of that program.

We do not hear enough about northern Ontario here in this House, but northern Ontario is unique in Canada in the sense that it has a tremendous tradition of hard working people, people who quite frankly moonlight, who often have one or two or three jobs and work hard. It is a region of Canada where three cultures get along very well: the French speaking culture, the English speaking culture and the native culture. It has an ethic of working hard. This program helps to continue that.

Yesterday, at the Northern Ontario Business Awards meeting, I was struck by the fact that the award winners were all high-tech companies, high-tech operations moving into northern Ontario.

I was in Scarborough two weeks ago and some company presidents were saying that they were getting letters from American governors asking them to take a look at Tennessee or take a look at Nebraska and saying: "Come on down here because real estate is so much cheaper". Let me tell the House that real estate is not only cheaper in northern Ontario than it is in Nebraska or Tennessee, but we have a hard working work force, we have a tremendous educational system supporting it, and one of the best transportation systems in the world.

Northern Ontario has seen a remarkable turnaround. It is a checkerboard. There are black patches of real problems in northern Ontario, but there are some wonderful success stories too and FEDNOR is helping with that.

Another federal program, of course, is the Small Business Loans Act. It started in 1961 under the Diefenbaker government, which is typical of a Conservative government. What we want to do is put in place a kind of small business assistance scheme that does not give money away, but simply helps guarantee loans. It has provided almost $8 billion in assistance.

If you started in Toronto, for example, right at the lake and looked at small businesses right along Yonge Street, you would probably go all the way to Richmond Hill with $8 billion worth of businesses. That is what this program has done and its term loan assistance up to $100,000. Most of the loans go into construction, communications, retail, manufacturing, wholesale and so on.

I have to say that as minister of small businesses I have been unhappy with the performance of this act though in the past year. The banks are not telling people about it,

the banks are not using it, and it has to be changed and approved. It has had a tremendous history for 30 years, but it is now at the stage where the banks are not using it. I am not only meeting with them, but with the new financial institutions reform I had the responsibility to help put together we are going to be having unlimited commercial lending by trust companies, by insurance companies and by credit unions. They will be in play now and we have go to put an SBLA together that encourages them to use it.

Something that banks do not like, which I would like to ask the House for advice on, is software; the banks will give you a loan if you have assets, bricks and mortar backing it up; but if you ask for a loan for software so that you can improve your handling of accounts payable or anything like that, the banks are often very wary of doing that. Perhaps the SBLA could move into that field and help there. We are looking at that.

Another federal government program, one which I am particularly proud of and it gets almost no attention here, is the Canadian Aboriginal Economic Development Program. Actually all members of the House have been quite co-operative on this because they want to see this succeed. We have had over 1,000 native businesses started or maintained as a result of this program. We have had over 4,000 jobs created or maintained through this program.

One of the best kept secrets in Canada is that the native population in Canada—I am talking Inuit, Métis, status and non-status—is becoming more entrepreneurial. They want to be wealth producing. This program, to which I made some important changes two years ago, allows some joint ventures with non-natives. It also allows consulting help so that they can pull together good business plans. I am very proud of this program. It has done very well.

Something that this program has created as well is something called aboriginal capital corporations. We would fund a native group in the amount of $5 million and would say: "You put this in the bank and it earns interest. You lend it out. You have your own board of directors. You get paid back, and just keep recycling the money year after year after year". We have 31 aboriginal capital corporations that are working very well. The last time I looked their failure rate, their arrears rate, is no higher than the Royal Bank's. It is a very good success story.

The third program I did want to mention to which the federal government is very dedicated is this whole series of services through the Federal Business Development Bank. The Federal Business Development Bank is not exactly a bank of last resort, but it is there when you go to your banker and the banker says "no, I don't think I can deal with it; I want you to go to the Federal Business Development Bank".

I think we have 77 branches of this bank now across Canada, specializing in the smaller towns and in the outlying areas. That is really where its focus is because often the big banks do not deal with that area very well. It has done well. It has also moved into consulting in a major way; the whole CASE program, giving small business seminars, giving advice on how to start and maintain a business. But more important it is moving into something called venture capital.

I think we all know that most small businesses today do not need any more debt on their balance sheets; what they need is some subordinated data and some equity, and the vencap program is an attempt to see if we can get some mezzanine financing, some subordinated debt to help the various businesses. That program is new and I look forward to discussing it with members in committee. But it is something that I kind of like to publicize because not enough people know about it.

Then of course we have the programs through our regional development agencies, the Western Diversification and Atlantic Canada. All of these programs are out there where we are helping small business.

In addition to that, since I have been minister, I do want to remind the House of a number of things that we have done. We have established a National Entrepreneurship Development Institute. This is an important institute, to pull together people who care about entrepreneurship in this country. They are people who often do not talk to each other. They are university professors, they are public servants who work in provincial governments, and also for municipal governments, they are teachers, people who teach entrepreneurship in high schools. We pull them together, hold important conferences, material is developed, and we now have a program developed for teaching entrepreneurship in high schools.

So that in grade 10 or grade 11 there is now a module being put together complete with videos where young people can think, "what would it be like to become a chairman Mills and own my own business? What would it be like? How would I go about doing it?" This entrepreneurship program is spreading right across the country.

Do you know what I find, Madam Speaker? This program, through some other programs where we have assisted young people, has moved so-called government towns—and I think of Regina, I think of Charlottetown which I always thought of as primarily government towns and Ottawa, primarily a government town—into a very thriving entrepreneurial culture. The biggest junior achievement in Canada, I think, is in Regina, of all places. Charlottetown has the second biggest. Twenty years ago 50 per cent of Ottawa was the Government of Canada and today only 27 per cent of the economy of Ottawa is the Government of Canada. The rest is private enterprise and other things.

So we are getting a much more entrepreneurial Canada. We are trying to help that through NEDI, also through the business opportunities system which is something that I cannot explain in the House right now but it is something that we pay for as a government. We encourage small businesses to come in; we will tell them where their markets are; we will tell them where customers are, not only in Canada but around the world. And then again, we are trying very hard to get the small business community in Canada to think of exporting.

I do not think we are as great an exporting country as we should be. I know we are the fifth biggest exporter, or whatever we are, but usually that is big stuff like wheat and automobiles. Our small businesses are not very export oriented. We are trying to change that. The NEDS program have had over 150 missions already to the United States and will literally take you by the hand. Let us say you are a small textile manufacturer, or let's say you are a small machine shop and you want to expand. We will introduce you to 13 customers in Toledo, Ohio if that is where you want to find them, and we will show you how to do customs and bring you home. This program, has worked very well. Also NEXUS, which is oriented for southern United States does the same; and then Going Global, which is broader, takes us into Europe and the Pacific Rim.

We have student business counselling as well. We have the CASE counselling and we have the Canadian Jobs Strategy, and so on and so on.

But over all, Madam Speaker, no political party has the total answer for helping small business.

What every political party owes the people of Canada is a recognition that this is where the jobs are being created. I spoke to the Empire Club three weeks ago and I said the following with the Premier of Ontario in mind.

I said: "Premier Rae, I read a statement from you the other day where you said that those who care passionately about social justice and those who care about the creation of wealth are both important. You cannot have the one without the other." Those are good words. "However, a thriving small business community is essential if we are ever going to pay for all the social programs. I invite the NDP in Ontario to start to address itself to the creation of entrepreneurs because that is where the jobs have been created, that is where the jobs will be created and we, as a federal government, stand to help not only in Ontario but right across the country".

Mrs. Coline Campbell (South West Nova): Madam Speaker, I cannot help but raise a couple of issues that the minister mentioned.

Before saying that, I want to congratulate my colleague from Broadview—Greenwood. The motion is timely in view of Small Business Week that we will be concentrating on. I think there is a difference of opinion whether it will be next week or the week after, considering some of the notices that I have had. However, I do think it is timely that we debate it, because small businesses in Canada are definitely suffering and are definitely losing each day to the perils of the conditions that exist today.

The minister in his speech referred back to 1982. I just happen to have the submission of the Canadian Federation of Independent Business to the committee studying bankruptcy dated September 11, 1991.

I want to read into the record what they thought when they were giving a submission in the context of this debate. I read: "The 1980s provided a roller coaster of economic conditions for business in Canada. The country

experienced a recession in 1982, the likes of which had not been seen for many years."

I add on that note, a recession that was international. Continuing on that: "Recovery from that recession was uneven with some regions of the country taking years to climb out of the abyss. More recently, the current recession has been even more severe and recovery experts agree will be much slower and more painful than in 1982. Businesses are reeling from a myriad of pressures, high interest rates, high inflation, structural adjustment, tax increases, the GST, the recession, constitutional uncertainty and most recently Public Service labour disputes. The latest survey of small business expectations shows that small business views the worst of the recession is over but is extremely cautious regarding future investment in employment."

Those are conditions that exist today because of this government. They went on to say: "Beyond the dramatic effects of the economy, independent business is telling us and the minister"—I hope he is listening—"that they are taxed to death. Tax reform has amounted to a cruel hoax for small business who have witnessed the total tax take and compliance costs imposed by governments at all levels continue to escalate."

They went on to say: "In a poll of CFIB members taken between January and July of 1991, 73 per cent indicated that the total tax burden,"—I heard it all summer—"is a significant problem for their business. Seventy per cent point to government regulation and paper burden as significant."

I ask the minister: How do you get off criticizing others 10 years ago when people are saying it is now that there are high taxes, high interest rates, high Canadian dollars and we are not able to produce and export our products? I had a company the other day, the Tin Mine in Yarmouth contact me. The president wrote to me and said it was not the workers. They were doing a good job so do not tell me they had lost their competitiveness in the labour force. It was because of the tin market, the price in the world tin market, and that is dealt by a world council, and "the high Canadian dollar" that they had to close.

I ask the minister how he could put blame anywhere else but on his own government policies which I have just enumerated.

Mr. Hockin: Madam Speaker, I appreciate the intervention and the questions and I am very happy to answer them.

First of all I have to remind the hon. member that in 1987 the federal government brought in corporate tax reform. One of the reasons we brought it in as a lead-up to the free trade agreement with the United States was that we wanted to make sure that our corporate tax structure was not too much out of line with our neighbours. So we reduced corporate taxes. This was for big corporations—fought, by the way, by the NDP and the Liberals—but we reduced corporate taxes.

In the province of Ontario, six months later, the Peterson Liberal government filled up the tax room that we had cut.

Yes, it was a cruel hoax, Madam Speaker, it was a cruel hoax because we cut the taxes and the provincial Liberals filled up the room left with more taxes.

Second, the individual corporate tax rate for small businesses in Canada at the corporate level is the lowest in the industrialized world. It is 12.8 per cent. That is the effective tax rate when you have a profit of $200,000 or less in Canada. You are in the best federal tax position of any country in the world. We have maintained that and we continue to do that.

Third, when you take a look at the over-all tax burden of business, and I agree with the hon. member that small business has had it up to here with taxes. They have had enough of taxes. But look where the taxes come from.

If you would see the survey on our border communities, most retailers find that 52 per cent of their tax burden is municipal. It is municipal taxes. When you have American governors write you a letter and invite you to establish your plant in their state, they are usually talking about some municipal tax break.

Municipal taxes are a major part of this. Provincial taxes as I have just explained—and by the way it was amazing when the provincial governments of Liberal stripe moved in and increased corporate taxes nobody

over there complained. Now they stand up and complain about taxes.

Then there is the GST. The GST is a very interesting tax because it replaces the manufacturing sales tax. The manufactured—

Some hon. members: Oh, oh.

Mr. Hockin: —see, they are going to shout so I cannot complete this answer.

The manufacturing sales tax was 13 per cent. We removed that and brought in the GST at 7 per cent which, in effect, is zero per cent on businesses because when you pay the GST as a business you get it all back at the end of the month. Therefore the effective rate is zero. So we removed a 13 per cent manufacturing sales tax and put in its place not a 7 per cent tax, but a zero per cent tax after the input tax credit. That is what we have done to decrease the burden on small business.

I agree with Mr. Bulloch that the burden of tax on small business is heavy but the federal government has been decreasing it, not increasing it. It is the other levels of government that have to answer to him.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I would first like to say to the minister that I think that is one of the most constructive speeches that I have heard a minister make in response to an opposition motion and I for one want to congratulate him on it.

I also think that some of the programs that he listed are important innovative programs which his government has put in place.

I want to make a brief comment with respect to his final parting shot about the Ontario New Democratic Party because I think we would both agree that the government of Ontario has taken important steps in the last two or three months to really reach out to the business community, to establish dialogue with the them and to try to move back from actions which were seen as provocations, including the move to establish publicly–owned auto insurance.

However I want to ask a question if I could as well as make these laudatory comments which I am sure will leave the minister in shock. Is the minister and his government prepared to do what has been so important to the small business community in the United States and establish a regime of small business set asides with respect to government purchases?

As the minister knows, these set asides are exempt even under the free trade deal on the United States side. Surely we should establish similar set asides for our small business community so that they do not operate at a disadvantage with the U.S. small businesses on their side of the border.

Madam Deputy Speaker: There is one minute left for the hon. minister.

Mr. Hockin: I am sorry about that, Madam Speaker, because I would like to respond at some length.

It is an interesting proposal. It is true that you get a better shot at government contracts in the United States if you are a small business or if you are a minority. They have minority set asides also.

I am wondering whether we, in Canada, should not do the same. The only problem is we want to be competitive. If we burden government with more expensive goods and services because we are not taking the lowest bidder, then we are less competitive and taxes go up.

We are going to look at that. There is something in what the hon. member says. I know regional agencies have tried to make sure that we get small businesses reflected in government contracts. We have tried it through the defence department as well. We will look at it, but there is this other side, which is if you burden the federal government's full purchasing mechanism with the inefficient bidder rather than the lowest bidder, it could be that taxes will probably have to go up to pay for it. I do not know whether we want to do that.

Mr. Boudria: Madam Speaker, on a point of order, I merely want to indicate that my colleagues would like to avail themselves of the opportunity to share the 20–minute time slots for the rest of the day into two equal 10–minute slots so that more members can be accommodated on this important topic.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I would first want to commend the minister for speaking on this motion and on a number of points that he has made.

I was disappointed however that he should in fact resort to some pettiness when he suggested that the Liberals were not interested in the private sector. That kind of commentary is not at all necessary. Look at the Liberal governments in Newfoundland, New Brunswick

and Quebec and at previous Liberal governments. There was a significant interest.

His reference as well to the setting up of lemonade stands in order to create employment really does not become a minister of the Crown. His comment too about throwing away money is somewhat verging on the irresponsible.

I would like to mention as well that my colleague from the NDP was rather cute about some of his comments when he referred to the Liberals' old policies not producing results. There is nothing "old" about our policies. In fact, I would be quite prepared to compare our Liberal policies in Ontario with the current social democrats' policies today to see who would win greater favour with the business sector. I find that unbecoming, and I think that is one of the reasons why we have difficulties in this particular House.

Would the member care to repeat his comment so that I could respond to it, or is he going to stoop to the kind of pettiness that we have just heard too?

Mr. Dorin: I'm waiting my turn.

Mr. Duhamel: Good, good.

Madam Deputy Speaker: Order, please. This is Friday afternoon. We have an important debate. It does not have to get acrimonious. I will recognize members one after the other. If heckling starts, it sometimes goes further than all of us had expected it to go and nothing good is done for the people of Canada. I would really appreciate it if we could spend this afternoon in a fruitful, friendly manner.

[*Translation*]

Mr. Duhamel: Thank you, Madam Speaker.

We recognize that about 80 per cent of the jobs created between 1978 and 1987 were created by small and medium-sized business. We find that it is a very dynamic sector for the country and creates jobs for Canadians. We also recognize that small and medium-sized businesses contribute to the quality of life in Canada, and I think that is often forgotten. Unfortunately, there is sometimes this negative attitude, this idea that business is insensitive to people, to the environment, etc.Of course, some businesses are not as sensitive as they should be, but in general, there are still people, men and women, who make an extremely important contribution to our quality of life in Canada.

I would also mention that I recently conducted a survey of small and medium-sized businesses in my riding.

• (1300)

[*English*]

I wanted to know from my own constituents, those men and women who run small and medium sized businesses, what they felt were government policies which were of assistance to them and which they felt were not terribly useful or in fact created certain barriers. I want to quote from that summary.

With respect to government as an aid to business, 6 per cent indicated that the export and trade shows were useful, that the local enterprise group was also of benefit to them, and that government grants—6 per cent again—could be particularly helpful depending upon how they were administered.

With regard to the government as a detriment to business, this is what was reported. The goods and services tax was felt by 54 per cent of the people to be a real impediment to their growth, to their vitality. They felt that the property and business taxes were not at all useful, that they were in fact detrimental in a significant kind of way. Many referred to the Canada-U.S. Free Trade Agreement, 18 per cent, and there was a reference by 12 per cent of the respondents to the government requiring paperwork, a reference to interest rates, to unnecessary government regulations and to government competing with business. Some 9 per cent of the people felt that those got in the way of building the kind of climate, the kind of atmosphere, that could contribute to growth in their sector.

I want to bring to the attention of this House the following points. In a number of recent surveys here are some of the problems that have been identified by people in those sectors, in addition to the ones to which I referred, as to what lies in the way of future growth.

Small business confidence is low in this country at the present time. In 1991 it was pointed out that 78 per cent would probably see their businesses weakened as a result of what is happening; that many of those businesses, the large majority, were bracing for a deterioration of the business climate; that 55 per cent of the businesses

would be spending less; that there would be cutbacks; and that those cutbacks would exceed new hirings.

There was an economic outlook survey undertaken showing that small and medium sized businesses have slid in terms of confidence since 1985. It is not the Liberal Party or the NDP Government of the Province of Ontario that says this. It is, I hope, an objective survey which suggests that all these results called into question the appropriateness of government policies. They refer of course to the high interest and high dollar policies of this government, including the many taxation increases, well over 30 since they have come into power, and to the goods and services tax.

Many people who own small businesses in my constituency have called me and talked to me, come to visit me and talked about cross-border shopping, how detrimental it is to their businesses. They referred to the high dollar and high interest policies. They know a great deal about them and how detrimental and how heartbreaking they can be.

Of course I have mentioned the goods and services tax. It is not only the notion of the tax. It is the paperwork. It is the additional infrastructure that they require in order to make it work.

I have not yet had a chance to talk about the bankruptcies that are on the increase. I would like to refer to a recent survey in Ontario where there were over 3,500 respondents. I think it points out to a number of real concerns that we should have as members, that over one-third of those people who responded are thinking of moving out of Ontario, either their whole operation or part of it.

That put into risk roughly 500,000 jobs. Some 63 per cent of those who responded in this particular survey indicated that they were going to decrease their hiring; 57 per cent had cut or intended to cut capital investments; and most of those who responded were thinking of going to the U.S. as an alternative. I find those trends, as well as the trends in terms of lack of confidence, lack of hope, rather disturbing.

What can be done? I think the motion points out that there is a need for more capital for certain businesses, particularly those which are getting started; that there is a need for less red tape; that we really have to be particularly sensitive to the increases in taxation because these men and women are directly affected by it; that there is a need for less paperwork; that we must remove unnecessary government regulations; and that the government must not be competing with the private sector when the private sector can develop that service at a reasonable cost to Canadians.

Those are things that can in fact be done. Some of those have been attempted by the government. In fact there have been successes in certain areas, but I would argue that much more needs to be done, particularly with respect to the cutting of the red tape, the paperwork and making more capital available.

I just want to point out, as I near the end of my address, that we as parliamentarians have a golden opportunity with Small Business Week coming up. We could point out that the small business sector is potentially a high growth area; that the small business sector is creating a number of interesting, challenging jobs for Canadians and if properly supported could do a lot more; that small business is indeed extremely rewarding because it brings a personal sense of satisfaction; and that small business contributes to innovations in our society and that is extremely important. We should also be pointing out that small business is really rather resilient when there are economic downturns.

I am particularly pleased to know that there is increased participation by women in small business; that technological change has accelerated and being integrated; and that there is a recognition that skilled people are an extremely precious commodity.

I have one final point. Small business is becoming increasingly integrated into the global economy. I see that as very positive.

[*Translation*]

I conclude, Mr. Speaker, by saying that we will soon have a wonderful opportunity to celebrate small and medium-sized business, during the week of the 20th to 26th.

[*English*]

Entrepreneurship really is a very precious resource, a renewable resource, and we should celebrate that.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to thank my colleague for participating in this debate today. I would like to get his opinion on something quite specific.

The minister responsible for entrepreneurship and tourism in this country spoke earlier. I too want to commend him for what I felt was a solid address on the state of affairs of entrepreneurship in this country.

One of the things that he did mention in his speech was the programs and services available to small business to help entrepreneurs. For example, he mentioned the Small Businesses Loans Act which is an insurance policy for bankers who give loans up to $100,000 for small business.

My experience with the bank managers I have talked to is that nine out of ten do not even know that that policy exists. My own brother is a bank manager with the Royal Bank. I asked him about it and he did not know anything about it. In fact his supervisor did not know about it. This was about a year ago. I was quite amazed.

• (1310)

The second thing is that the Federal Business Development Bank has a training program or assistance program, a small enterprise program where it takes semi-retired or retired executives to help small business work out business plans, et cetera. It has a match making exercise where it matches the investor with the entrepreneur who is looking for help.

My question to my colleague is: Does he not think that the communications support from the minister's department probably needs added strength so that rather than hiding these services under a bushel basket and only making them available to larger corporations that can afford government relations people and lobbyists the Government of Canada should communicate these policies, especially since our entrepreneurs, the 900,000 of them, are in such desperate need in the country today?

Mr. Duhamel: Mr. Speaker, I want to thank my colleague from Broadview—Greenwood for his question. Yes, he raises an extremely important point. As I indicated, and as he and other members have as well, there are some laudable programs out there, but one of the unfortunate realities is that those programs are not reaching many of those 900,000 entrepreneurs to whom he has referred. That is unfortunate because there have been literally millions of dollars spent to promote those, yet probably the majority of people do not know anything about them.

When I met with the business people to whom I referred previously, business people from my constituency, they indicated that it was extremely difficult to get information from government. They felt that there were a lot of programs out there that could in fact have assisted them, but it was virtually impossible to get that information.

Mr. Jim Karygiannis (Scarborough—Agincourt): It is very important to note, Mr. Speaker, that in the House today we are discussing something which is very important, the backbone of Canada, the backbone of the Canadian economy. When we look at both sides of the House we see that the Liberals on this side are very interested. When we look at the other side we can only count a handful of members, maybe two or three at the most.

It is very important that we realize that our country's economy depends on the small business.

I had the opportunity to visit my colleague's great city and great province out west. I saw there that entrepreneurship, the little engine that we call small businesses is, working. My question to my colleague is: In his province has the GST and that way that this government has brought it about hurt? Yes or no.

Mr. Duhamel: Mr. Speaker, I thank my colleague for his question. Yes, it has.

I have received calls. I have received visits. I even circulated a survey. I note my colleague has just joined us. I want to make sure that he understands this. I circulated a survey to the business people in my constituency asking them which programs were a help to them; which programs from government, I wanted to be fair; and which programs were not of assistance. The one that received the largest negative response was in fact the goods and services tax. Not only were they annoyed at the tax but really the implementation of it, the red tape, the government bureaucracy, the inconsistencies, the contradictions. They felt it was a massive negative blow they had to accept which did not help them at all. In fact it pushed them back.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I compliment my colleague, the member for Broadview—Greenwood, for bringing forth this motion today.

It goes without saying that the small business person in Canada has since the inception of our country provided the great bulk of jobs for our Canadian citizens.

Today in this debate, if I may, I want to deal with three aspects of the problems which this government has created by its monetary and fiscal policies. I want to deal with a topic that another colleague raised just before, the effect of the GST on small businesses and on consumers.

Second, I would like to address the debacle of bankruptcies to small businesses in this country.

Third, because I am the critic for youth in the shadow cabinet of the Liberal Party I want to discuss the effect of the clawback clause on child benefits as it comes under the scope of the buying power of the people of Canada.

First, the goods and services tax. We ask ourselves, why was sales tax reform necessary? For many years, corporations have been asking the government to reduce their taxes. So this Conservative government, with a 7 per cent GST, will remove about $4.6 billion in sales taxes from corporations and transfer those taxes directly to average Canadians. Under the GST, virtually all Canadians will pay more taxes and corporations will pay less. That is a given; that is a fact.

For people here in this House and in the gallery today and those watching us on television, I am sure all of us are aware that you and I and all of us pay federal sales taxes today. Starting in January 1991, you paid a lot more federal sales tax with the GST. Canadians pay about $700 a year in federal taxes today. With the GST, Canadian families on average will be paying $400 a year more under the GST than they had been paying before.

Most purchases of goods and services will be taxed by the new GST from here on in and consumers will have to pay federal sales taxes on purchases of many items for which they have not directly paid federal sales tax before.

The question was asked before, does the GST hurt people in Winnipeg? The answer was very forthcoming. Yes, it will affect people all over Canada and it will hurt Canadians. Many economists predict that the GST will push Canada into a further economic recession instead of having us fight our way out. Canadians face higher prices, higher inflation and higher interest rates in this year with the introduction of the GST.

It also means, Mr. Speaker, lost jobs. The Liberal Party had a task force on the effect of the GST on the economy and it went right across Canada getting facts and figures. We have concluded that the GST will mean more jobs—for bureaucrats. It will not mean more jobs for Canadians. The member for Willowdale—

An hon. member: Tax policing.

Mr. Parent: Yes, we have those, these tax police; 3,500 new people will be getting jobs to police the rest of Canadians who have been paying their taxes all along.

I was referring to the study brought out by the hon. member for Willowdale. He said that in excess of 225,000 jobs were lost in our country directly because of the GST. We were told at one point that if there were any surplus moneys collected through the GST, these moneys would be used to attack the deficit.

How will the GST affect the deficit? First Mr. Wilson, who was then the Minister of Finance, told us that the GST would be revenue neutral, meaning that it would have no impact on the deficit one way or the other.

Next he told us that the GST was an integral part of the Conservative's deficit reduction plan. Well you cannot have it both ways. Then Mr. Wilson's budget showed that the GST and its rebates to corporations in 1991 would increase the deficit for the first two years. How will the GST affect the deficit then? It depends which Michael Wilson story you choose to believe.

I choose to believe the story that says that the corporations will be benefiting a great deal more than the average Canadians. The small businesses of our country are the ones that are going to be paying the real tab.

The tax is charged on a multitude of goods and services, but here are just a few, Mr. Speaker, which are now taxed but that were not taxed before. These are such things as hair cuts, funeral services—now we are even going after dead people—taxi rides—how difficult it is to add that 7 per cent unless it is worked right into the price—lottery tickets—which for some people are so entertaining in an otherwise dismal week—and stamps to mail our letters as we speak to each other as Canadians.

• (1320)

They are even taxing books, which students must have if they are going to learn. So we have a tax on education. We are taking money out of the pockets of students who have to work all summer just to get enough money to return to school in September. Then it is not enough because they have to get loans, they have to borrow money. That makes it ever so much more difficult.

As the hon. member before me has said, we pay a lot of lip service to the fact that the youth of our country are our most valued possessions and are where we should be investing our money, to help them along. How do you say that in one breath and in the next breath tax the very tools that students need to develop their thinking powers. This is a great mistake. It sends out the signal that this government has other priorities than the youth of the nation.

Finally there was one letter I received some time ago. It was written, actually printed, in very poor English. It was from an eight-year old in my riding who asked if even cookies would be taxed with the GST. I had to tell that student, that young child, that yes, even cookies were going to be taxed.

The GST will hurt modest income families. A recent study by economic analysts at Global Economics Ltd. revealed that even after families received the refundable GST credit more than half of all families with incomes less than $30,000 will be worse off or no better off under the GST than they were before. Fully 46 per cent of all families earning less than $30,000 will be worse off than they were before.

An average income Canadian family with children will pay $684 more in tax every year because of the GST. Is this fair? Is the kind of Canada we want to have one where the people who can afford it least are the ones who are taxed the most?

On top of this unfairness the government has not fully indexed the refundable GST credits which are available to modest income families nor the income threshold at which families can qualify for the credits.

I submit that over time inflation will erode the value of the credits and each year fewer and fewer low income families will qualify to receive the benefits.

I point out that half of all seniors will pay more tax under the GST. Global Economics Ltd. estimates that half of all seniors will pay more tax as a result of the GST even after receiving their refundable GST credits.

In this House I and many of my colleagues have presented petitions to this government asking it to rescind the GST or at least to change those portions of the GST which would affect those people least able to pay. We submitted over 600,000 signatures to this House to no avail.

The GST means higher prices. The government admits that the GST will raise prices and increase inflation. The government itself predicts that prices will increase by 1.25 per cent on average and other economists predict that prices will rise by much more than that.

Sadly no one believes, or very few people believe, the government's claim that prices of goods will decrease with the introduction of the GST. I challenge anyone in this House, or anyone listening to my words today, to give me any proof that prices have decreased anywhere in Canada on any items. Send it to me. If there are decreases I for one am not aware of them.

It has been said that some prices will go up a little and some prices will go up a lot. How will you know if you are being treated fairly?

I had so much more to say. In one inquiry I received from Mr. John Pastirik he asked how we were going to police this, how we were going to keep these prices down. My colleague points out that we have 3,500 police. They have not been very effective.

Madam Deputy Speaker: I would ask for the co-operation of members of the House. When members are splitting the time, it somehow always seems that the period of 20 and 10 is much longer than it should be. This is why I had to interrupt the hon. member.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, I heard the member for Broadview—Greenwood, from the Liberal Party, say that his brother, who is a bank manager, does not know that the Government of Canada has a special program for small entrepreneurs. Maybe the member for Broadview—Greenwood is a better member of Parliament than his brother is a bank manager. It seems to me that it is almost impossible for somebody

who has that kind of job to not know that this program exists.

I want to ask the member if he recalls—he was not here as I recall in 1987, he was newly elected in the 1988 election—that when the committee of the House of Commons discussed the free trade agreement and the GST, specifically the GST, the majority of those who appeared said that they were against the manufacturers' sales tax. They said: "Please take off that tax. It is not good for us. It does not help". But they said at the same time: "Please exempt me, tax somebody else". Ninety-nine per cent said no and 99 per cent asked to be exempt.

I am wondering how the member would have responded to that kind of behaviour if he had been in the place of the government at that time.

Mr. Parent: Madam Speaker, I would make a couple of observations. First, I thank her for saying that I am a new member of the House. In fact I am of the class of 1974 and we have been around quite some time.

Mrs. Bourgault: There is nothing wrong with that class.

Mr. Parent: The second thing she brought up was the free trade deal. The record will show that I spoke very forcefully against the free trade deal. I was opposed to it all the way, as were my colleagues on this side of the House.

When you make the statement that everyone who appeared before your committee for the implementation of the GST was in favour of the GST and then everyone wanted to be—

Mrs. Bourgault: I did not say that.

Mr. Parent: The hon. member said that 99 per cent of the people thought that the GST would be a good idea and by the same token 99 per cent wanted to be exempt. I believe that is the gist of what the hon. member was saying.

It would seem to me that if 99 per cent of Canadians want to be exempt from the tax that means that only 1 per cent wanted to be covered by the tax. I do not know how this government came to the conclusion that this was a good thing for Canadians when most if not all of us were opposed to it.

The people most in favour of this were the big business people who have been well taken care of by this government, but the average Canadian has been forgotten.

Mr. Sergio Marchi (York West): Madam Speaker, I would like to start by commending my colleague from Welland—St. Catharines—Thorold for a very passionate speech focusing on the GST and how the government's taxation policy has undermined the small business sector across the country.

I would like to ask the member, since he comes from a part of Ontario seriously affected by the cross-border shopping phenomenon, how the taxation policy, namely the GST, has contributed to the fact that we have so many consumers thinking of the bottom line, legitimately so, on the mass exodus that is the phenomenon of cross-border shopping?

• (1330)

Mr. Parent: Madam Speaker, the hon. member, my colleague and chairman of our caucus, hit the nail right on the head.

The GST has driven people in my riding across the border. Perhaps this government is correct. As I have pointed out, the GST is creating a great many more jobs for the bureaucrats and now the Americans in Buffalo.

The people who are losing the jobs are Canadians. Our small business people are going out of business because they cannot compete with the burden of these taxes which have been put on their shoulders. We are not only losing our consumers but we are losing the businesses and jobs. That is a direct result of the GST being imposed.

Cross-border shopping is just another phenomenon. I believe it is because the consumers of Canada are rebelling against these taxes imposed by this government because they are unfair and fall on those people who can least afford it.

Like the hon. member, I can well understand that Canadians in my area, as well as in other areas close to the border, are trying to stretch their dollar as far as they can to take care of their families who have been put into

jeopardy by the monetary and fiscal policies of this government.

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, I welcome this opportunity to join in this debate. I hope I can add something to it here today.

I would like to try to directly address the question involved in this motion.

Madam Deputy Speaker: I apologize. The hon. member will be recognized as soon as this business has been looked after.

* * *

MESSAGE FROM THE SENATE

Madam Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-37, an act to provide for the resumption and continuance of grain handling operations at Thunder Bay, Ontario, without amendment.

* * *

THE ROYAL ASSENT

Madam Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

October 11, 1991

Mr. Speaker:

I have the honour to inform you that the Honourable Frank Iacobucci, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 11th day of October, 1991, at 1.30 p.m., for the purpose of giving Royal Assent to a Bill.

Yours sincerely,
Judith A. LaRocque
Secretary to the Governor General

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

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of his honourable House in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

[*Translation*]

And being returned:

Madam Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

Bill C-37, an Act to provide for the resumption and continuance of grain handling operations at Thunder Bay, Ontario—Chapter 31.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—SMALL BUSINESS

The House resumed consideration of the motion of Mr. Mills (p. 3627).

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, now that we have that important piece of business out of the way, I will try to continue.

What I want to try to address today is this question of the value of the Canadian dollar. We are hearing from a variety of people out there almost like a kind of tribal chant with drums beating about high dollar, high dollar, high dollar. They are talking about a dollar that in terms of the United States dollar is about 88 cents compared to the U.S. at the moment. In fact what we should be seeking instead of an 88-cent dollar is a 90-cent dollar, a 95-cent dollar, a $1-dollar, a $1.50-dollar or a $2-dollar. That is the direction we should be trying to go; not the other way, which some members and some people are suggesting.

If it were true that an 80-cent dollar would be better than 88 cents, why not a 70-cent dollar or a 50-cent dollar or a 25-cent dollar, or how about a 1-cent dollar? Would that not be wonderful, a 1-cent dollar? It would mean that everybody would have lots of them, but the problem would be that you could not buy anything.

I just returned awhile ago from the Soviet Union. When I walked around there were a few things that people have to sell but not many. There are very few, but for those few things that they have available to sell and if they sense you are a foreigner, they ask you for hard

currency. That is the word they use, hard currency; not rubles but hard currency because they do not want rubles.

Why do they not want rubles? The average wage in the Soviet Union for a government workers is about 350 to 400 rubles per month. The current exchange rate that you can convert them for is about 35 rubles to the dollar. This means in real terms that they are getting about $10 U.S.-Canadian per month wages, and they are only getting 35 to 1 because that is artificially being set even now by the Soviet government. The real rate, some suggest, would be closer to 60 to 1 so they would be earning about $5 Canadian per month.

Why do they not want rubles? The reason they do not want them is because there are lots of them. The government over there has printed them over time and they have become worthless.

Is the answer to economic problems driving your dollar down by printing money? After all is said and done, that is what we are talking about here. It is done in a slightly different way these days by the Bank of Canada, how it operates and how it actually puts money into the system. If people are not aware of that, I would suggest members may want to go over to the Bank of Canada, as I did awhile back, and take them through it, or I would even by glad to sit down with them and tell them about it.

In any event, at the end of the day what we are talking about here is printing more money or not printing more money, plain and simple. That is it: to print or not to print. When we say that we should put the dollar lower, drive the dollar down, the way you do that is you print more money so that there are more dollars. That is what drives the dollar down, but the more you drive it down, the less value it has when you go to buy something.

If we think historically about the countries that have done well in the post-war period economically, most of us would probably think of countries like Japan and Germany. If we think about the value of their currencies, what comes to mind? Low value currencies, worthless money? No. High value currencies, hard currencies, strong yen, strong Deutschmarks. Why is it that the Japanese have all the money to invest? Why is it that the Japanese can come over here and they can buy with their yen, convert into Canadian dollars and make all this investment? It is because they have value. They have created value relative to the Canadian economy and relative to the Canadian dollar.

What happens when that investment flows into Canada, whether it is in the form of debt or whether it is in the form of equity investment? Naturally it has the effect of raising the value of the Canadian dollar because it is being traded at that time. All of that investment, that job creating investment, is raising the value of the Canadian dollar.

Why is it coming in? It is because by and large around the world Canada is being seen as a place to invest. When your dollar is going down and people are taking money out, there is a lack of confidence. A high dollar is a sign of confidence.

A few years back, if we can remember, previous ministers of finance including our own at one point were running around the world seeking emergency lines of credit to try and prop up the Canadian dollar. Why? It was because there was a lack of confidence at the time, for whatever reason.

That is not happening right now. What is happening is not only have we not been borrowing any, at least at the federal level, we have been paying them off. We have been buying up foreign currency which in fact helps keep the dollar down. Our foreign reserves, in the neighbourhood of $20 billion or so, I believe are probably at historic levels. We have probably never had such high foreign currency reserves. Why the Bank of Canada on behalf of the Government of Canada has been buying it is to try and actually hold the dollar down.

All the evidence does not support the facts, the rhetoric that is going on. What it does support is that there is an element of confidence.

I would predict—and I cannot guarantee this, of course—that if we were able to reduce the uncertainty, the one major uncertainty in this country right now which is the constitutional question, if we were able to resolve that satisfactorily, I would suggest to you that would increase the confidence in this country to an even higher degree, to the point that we would probably reach par or even better with the American dollar. People would say: "There is a stable country. There is a good place to invest. That is where we will put our money". Those are investments, those are jobs.

That is the way you get jobs, not by printing more money. Printing money is for losers. The question is: Why do we want to join Argentina, the Soviet Union and countries like that in terms of economics? What we want to do is join the winners' circle: Japan and Germany.

That is the group we want to be with. Not the losers, the winners. They want to be with the losers. This tribal chanting: print more money, print more money, print more money, because at the end of the day that is what it says. No matter what kind of code you use and how you disguise it, that is what it is. Print more money is not an answer. It has been tried before by many governments, many times, and it is being tried today by many governments all over the world. Not to my knowledge at any point was it ever successful.

That is why in Germany, after they learned their lesson in the thirties because everyone had wheelbarrows full of money but could not buy anything, they put in their constitution the requirement or the goal of the bank, the Deutsch Bank in Germany, for zero inflation. They say currency stability or whatever words they use that would translate.

Hard currency has been behind the success stories of the economic power houses today. That is the club and the circle we are trying to join, not the losers' club.

The question is then: Why do we have this difficulty right now, *vis-à-vis* the United States? I think someone can answer it better than I can. I would like to quote from testimony before the finance committee earlier this week. The gentleman was Mr. Lloyd Atkinson, chief economist of the Bank of Montreal, who said: "Second, there is no question that bringing down the value of the Canadian dollar from its current level of 88 to 80 would have a beneficial impact initially and it may even have a somewhat permanent impact on our exporters, but it would not fundamentally solve what I consider to be the bigger problem".

Let us look at the past five years. This is the key, just looking at five years alone. These are numbers reported in Canada. They have also been reported by the Bureau of Labour Statistics in the U.S. so it takes account of the appreciation of the Canadian dollar. We have seen unit labour costs in Canada's manufacturing up almost 48 per cent and unit labour costs in U.S. manufacturing down three-tenths. In just five years we have lost in comparison with the United States in terms of unit labour costs 48 per cent. That is our problem, not the dollar. The dollar can go up and down, but by and large at the end of the day what you want are dollars that will buy you something in the rest of the world or that you can invest in the rest of the world; that will purchase you something, not a bunch of worthless paper which some would seek now to suggest is the answer to our problems.

The question then becomes for us: What would properly be the result if we were somehow to suggest that this high dollar could be changed or how it would have an impact on interest rates? I will try to make that connection. I am not quite sure how much time I have left or whether I will be able to make it.

The more and better currency stability that we have, the greater confidence there is in the Canadian dollar and the less people will be willing to take or expect for it or demand for it in terms of lending you money. The reason for that is there will be confidence that they are going to get real money back. They are not going to see their money lost through inflation or money that has just been printed. They want to get real money back.

That is what brings interest rates down. That is why they have come down about 500 basis points, about 5 points over the past year. It has been money flowing into Canada that does push the dollar up. As I have explained, that is not necessarily a bad thing. That is an impact.

Mr. Mills: What about our exports?

Mr. Dorin: That does push the dollar up. It is not necessarily a bad thing. There will be a question period. I will be glad to answer the question.

What it does is it brings interest rates down. If that money were not flowing in, interest rates would be even higher than they are. You cannot have one without the other. You cannot suck and blow at the same time. You cannot bring interest rates down unless you are prepared and want to see an increase in value or at least a stable value of the dollar.

The suggestion that somehow we should just print a more money, that that will take the dollar down, yes, it will. Will it take interest rates now? No, it will not.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, I would like to ask my colleague a question. I want to congratulate him.

Some hon. members: Oh, oh.

Mr. Hockin: I notice that opposition members stand up and ask other opposition members questions. It is nice for me on a Friday afternoon to have this opportunity myself. I am just going to take advantage of it.

What the hon. member is trying to do is something that is very difficult, which is to explain monetary policy.

President Kennedy once said he never knew the difference between monetary and fiscal policy. Often I feel that the people across the aisle do not know the difference either.

In his explanation he made a very important point. Let me just ask him, if we unilaterally lowered the dollar from 88 cents to 80 cents tomorrow and held to it for a whole year, would that mean that we would have to adjust our interest rates to pay for this diminished dollar that the person who borrowed our money would get back at the end of the year?

Mr. Dorin: It would mean a number of things. It would mean that people who had borrowed in foreign currency, such as Ontario Hydro for example, would have to pay many more dollars to enable them to repay the interest and the principal on their loan. Ontario Hydro would have to pay many more Canadian dollars and somehow raise it by raising prices for hydro in Ontario in order to make those payments.

That would be one of the impacts.

This debate originated earlier this week from some statements made by Mr. Tom Courchesne, a noted economist. Mr. Courchesne is not entirely wrong on this question. He suggested pegging our dollar to the United States at 80 per cent. Mr. Atkinson explained this quite well, maybe better than I, and maybe I should quote from him. This is the gentleman I quoted from earlier.

Let us put it in the context of what Tom Courchesne was talking about. He was talking more or less about the irrevocable fixing of the Canadian dollar to the U.S. dollar at approximately 80 cents. First and foremost if we do that then we are essentially relegating the Bank of Canada to a role as the 13th federal reserve district, led by Mr. Allan Greenspan. We will not make our decisions in Canada. We will accept whatever Mr. Greenspan and the federal reserve do.

So we become a 13th part of the United States, a 13th federal reservist. That is what Mr. Courchesne is essentially suggesting, for those who wish to read about it.

He goes on to say that because it would have one role and one role only, namely to fix the exchange rate and whatever rates of inflation or interest rates came along with it, we would have our currency tied to the U.S. and would get whatever inflation or interest rates that brought us.

The question is do we want to run our own show here in Canada? Or do we want to accept Mr. Courchesne's suggestion that we relegate our responsibility in terms of monetary policy to the federal reserve in the United States?

Mr. Jerry Pickard (Essex—Kent): Madam Speaker, it is a privilege to ask the member who just spoke a question. However, I would first like to clear up one of the myths that seem to exist. Liberals have not advocated printing money. Liberals have suggested that the difference in interest rates between the U.S. and Canada has been as high as 6 per cent and that is not producing better business circumstances here when there is such a large gap between them. That gap should be reduced, which would drop our dollar which is over inflated because of the interest rate policy that is being carried out.

I have a document here printed in *The Toronto Star* yesterday in which the member for Halton—Peel, a past minister from the Toronto area, and the member for Mississauga South, clearly say that this government's high dollar policy is an extreme problem and that there is a tremendous internal battle in the Tory caucus.

Could you justify what you just said and leave out half your Tory members such as the one for Mississauga South, who led the finance committee across this country, and other members who have been grossly outspoken about finances in this country and are now saying that your policy is wrong?

Mr. Dorin: Madam Speaker, what it means is that I am going to have to take those members and sit down with

them and tell them just what I told the rest of the House here today.

Mr. Maurice Foster (Algoma): Madam Speaker, I was pleased to hear the hon. member for Edmonton Northwest explaining the joys and values of the high dollar because clearly the agricultural community in this country has suffered tremendously over the past several years.

• (1400)

It is estimated that the high dollar cost Canadian farmers something like $426 million a year in the value of their crops, which are mostly exported and sold in international markets in American dollars.

The great concern this year is the $2 wheat and the fact that the government cut government support programs last year by 40 per cent, $1.3 billion. That is carried right over. That shortfall last year was carried over into this year.

Yesterday the government came through with some support. We do not know exactly when it will be paid. Perhaps next March or April. We have seen the response, especially in southern Alberta where we saw 40 kilometres of tractors, combines and trucks on the highway just a few days ago.

That same farm protest group from Wardner in southern Alberta, the hon. member's own province, has issued a press release today taking the government to task not only for cutting their support programs last year by some $1.3 billion and stonewalling this year on emergency assistance. It also called into question the very figures the Minister of Agriculture used yesterday in his press conference.

It pointed out that payments made in April, six months from now, will not help those producers. Many of them will be irreparably destroyed. They will lose their property and so on. The group is so frustrated that it is calling on farmers to withhold their grain deliveries.

One of the organizers, Bob Grbavac, said to me today: "If the Prime Minister wants to give away wheat to Russia, he is going to have to crawl over their bodies". They are frustrated and disgusted with the way the government has handled their support programs at a time when world prices have dropped to the lowest level since the 1930s.

Mr. Dorin: Madam Speaker, I could perhaps explain this question in the way it was explained by a farmer from western Canada earlier this week on television.

He said that about 20 years ago his phone bill was $4 a month and it took one or two bushels of wheat to pay for it. These days his phone bill is about $99 a month and it takes 25 or however many bushels of wheat to pay for it.

Rather than two bushels a wheat to pay his phone bill it now takes 25 bushels of wheat. We have a situation where there is a lot of wheat around that for various reasons people know well, which I will not bother to explain, nobody is prepared to pay much for.

That means that while he has wheat, maybe as much or more than he had before, he cannot buy anything with it, if he wants to buy other things or real goods.

If we want to draw an analogy, it means that if we print a lot more money when we go to buy oranges or anything we might want to buy from the rest of the world we will not be able to get as much for those same dollars.

We can sell all the wheat we want if we are prepared to take rubles for it because there are lots of them in the Soviet Union. It showed us the way.

Mr. Sergio Marchi (York West): Madam Speaker, I would like to pick up and perhaps get the debate back on track after a professorial speech urging a $2-dollar.

I think the motion put forth by the Liberal Party, namely the critic for entrepreneurship, the member for Broadview—Greenwood, is a very important one. It is also a very timely one as this country goes through its difficulties.

In terms of the motion there are four aspects to the undermining of the small business network across this country. They are the question of the interest rates, the level of the Canadian dollar, the reduction of the paper burden, and the fact that there is very little financial or other assistance available for the small business sector.

It is timely because while this government purports to be a friend to business, the real situation is that if it is a friend to business it is clearly only to big business.

I would like to draw this debate a little closer to home, to metropolitan Toronto. Indeed, we all talk about it. It is true that the small business sector is the engine of economic wealth, prosperity and jobs.

In the metropolitan Toronto area there was a survey done by the Toronto Board of Trade. It looked at all the

various employers. It concluded that the 500 largest employers, plus all three levels of government, plus all levels of our social service agencies, account for 40 per cent of all the jobs created in metropolitan Toronto. I am sure that within that component, we have a good slice of what we can consider small business.

To take these figures at their worth it means that in metropolitan Toronto, close to 60 per cent, if not more, of the jobs created and being created, are done by small business people. But the picture of metropolitan Toronto in that small business sector, despite the speeches before us by the other side, is a grim one indeed. It is not that we like to preach and pass on bad news, but we are of the mind that unless we recognize the failures in the system, unless we recognize the problems, and unless we recognize the hurt and frustration felt in metropolitan Toronto and across the country, we will not be able to get the policy, the program, or the solution that will stop the bleeding as it has been for the last little while.

The government this morning stood up and cheered the unemployment levels, but metropolitan Toronto is still in double digit unemployment. Over 200,000 are searching for work, and as of this morning, there were 6,000 fewer people in the labour force. That meant that either 6,000 people left metropolitan Toronto or that 6,000 people have given up looking for employment.

Since 1989, over 75,000 jobs have left the city of metropolitan Toronto; over half, 47,000 to be specific, in the small business manufacturing sector. Unemployment in the building trades is over 60 per cent. I talked to a construction contractor yesterday from my riding who had 300 employees last year. That has been reduced to a payroll of 50 individuals. He has building contracts in of all places, Ottawa, because of a shortage and the lack of activity in metropolitan Toronto.

The movement out of metropolitan Toronto, either to other parts of the country or particularly south of the border, is rampant. The Federation of Independent Business commissioned a study of their own membership and found that 36 per cent of small businesses would be seriously looking at moving out of Toronto, with most of them looking to the United States.

Bankruptcies are another way of measuring the pulse of small business. In the month of August there were 100 additional businesses, small businesses in Toronto that went belly up, bringing to a total over the last year of 900 further bankrupt businesses, enterprises, call them what you will, employers in metropolitan Toronto. And to make matters worse, we also have a provincial New Democratic government that is poisoning that atmosphere further, and aggravating the situation and escalating the number of people and companies that are moving out of metropolitan Toronto.

When I said that this government purports to be a friend of business, it is not a friend of small businesses or of medium-sized firms. If you look at each of the Conservative's financial blueprints in their budgets, they talk in great rhetoric about the small business sector, the small business family-created company. Yet, if you flip through any one of the pages in the federal budget, there is nothing there to encourage the type of activity that my hon. friend from Broadview—Greenwood spelled out in his motion today. There is nothing to spur on the ideas from going from an idea in someone's mind to creating economic wealth on the streets of Toronto, no financial assistance.

• (1410)

We read about the large multinational corporations getting financial assistance from this government, companies that have received hundreds of millions of dollars in taxpayers' moneys and then all of a sudden decide one day that they are going to move the shop south of the border. Yet small businesses that are looking to buy new machinery and are looking for approval cannot get the time of day from this government. That is the frustration that this motion speaks to.

The government then talks to us about foreign investment, but there too we have to dissect what foreign investment means under a Conservative regime. For me foreign investment equals foreign takeovers. Of all the foreign investment, 100 per cent that has been approved, the bulk is in the form of foreign takeovers. I do not think over the long run that that is going to help the economy. Why? Because the decisions will be taken south of the border and Canada will gradually lose the

ability of making its own decisions for its own reasons, for its own people and for its own advantages.

The de Havilland company is a perfect example now that de Havilland is in foreign hands. Not only because there are some 4,300 jobs at stake at de Havilland, but economists estimate that for every job at de Havilland there are four other jobs in the province of Ontario and across the country. How many small business entrepreneurs are feeding de Havilland? How many suppliers rely on de Havilland? Yet, if the decision on the future of de Havilland is taken by Boeing, an American conglomerate, then that is not only going to affect the livelihood of de Havilland but it is going to have a multiplier effect on the lives, futures and careers of other individuals and other enterprises in the province.

The other factor, when I speak to small business individuals in my riding, is that they get very little help when they are competing for international contracts. They run into West German and Japanese companies that have the backing of their respective governments. Our small businesses do not.

What about research and development? When we talk about the creation of the new ideas, doing business differently and being on the leading edge of today's technology, why are we not spending the R and D money that our competitors in the global village are spending?

We had the member for Welland—St. Catharines—Thorold talk about GST and taxation. Small businesses are feeling over-regulated and overtaxed. The bottom line is driving them south of the border. There are more businesses that are wondering why they are in business, because at the end of the month they do not have too much to show for it.

I see, Mr. Speaker, that you are signalling that my time is up. It is my hope that this government listens to the motion that we are presenting today. It is not a motion crafted to try to take up the time of the day until four o'clock but to speak of the real need to take care of the big business friends in this country and to get behind the small business network. That is the foundation and the pillar of job creation in this country, a pillar that unfortunately is coming apart at the seams.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I would like to congratulate my colleague from York West for portraying so vividly and in such a short span of time the importance of small business to this country and the dilemma in which small business now finds itself.

I just wondered if he was familiar with a recent report that was issued yesterday from the Canadian Federation of Independent Business in which it portrayed the sagging interest in a free trade deal. Back in 1987 there was some support from small business for going into a Canada-U.S. trade deal. There is a much reduced interest by Canadian small business people in going into a trilateral deal with the Canada, U.S. and Mexico bloc. The emphasis was placed, particularly in the article that I read, on anything that had to do with agriculture in this country, whether it be at the manufacturing level, the processing level or the distribution level. There was very limited support for the free trade bloc of Canada, U.S. and Mexico.

I wonder if my hon. friend from York West would like to comment on that scenario: limited interest back in 1987 but even less interest in that now. What experiences does he think they have had that would lessen this interest in the free trade deal being broadened any broader than it is right now?

Mr. Marchi: I would like to thank my friend from Leeds—Grenville who I think raises a very interesting concern.

He started off the argument by saying that during the free trade debate of the last election there was limited enthusiasm from the small business sector. He is quite correct on that because most of the cheerleaders, as we recall, were the big business corporations, the multinational corporations, the corporations that funded the free trade campaign as third party advertisers, and I hope the Lortie commission comes to grips with.

I think there is no doubt that not only the small business sector but Canadians in general, unfortunately, after free trade had been approved are certainly sceptical about the results of the free trade discussions and about amplifying it and going into it in a North American context. In the last election we split the anti-free trade vote, I suppose, with our friends of the New Democratic Party. But in every poll since the election the number of people who think that the free trade pact was a good one has been reduced. There is a very good reason for that. It is not built by political speeches or by rhetoric. It is formulated based on the experiences that Canadians are

losing more as opposed to winning more from this free trade pact.

Consider a small business person from Toronto who is forced to go to Buffalo because they do not have the taxes that are imposed in Canada, the rents in Buffalo are cheaper than they are in the city of Toronto, the wages are lower in the States than they are in the city of Toronto, they get a three-year tax holiday from the city and the regional government in the United States. Compare that to here.

When they begin to see that as a reality they begin to compare the experience of how it would be to locate in Mexico where products will be built and then shipped back into this country. Given the labour laws and the labour wages, it obviously puts the fear of God into the small business person in this country. Not only is the situation bad today, but he or she sees the potential for it being aggravated.

The small business network is not of the mind to expand the free trade agreement but rather to revisit the existing agreement between the Americans and Canadians and say: "Look, let us clean up those areas where clearly the Americans are winning and the Canadians are losing".

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I have been in the House since 10.15 this morning, listening to Liberal members congratulating each other and airing their views on the economy. That is all very well, but they do not have the government's responsibility to make decisions and run the country in very difficult times.

As I listen, I can imagine Canadian voters sitting in front of their television screens, eagerly following the debate this afternoon, and the people in the gallery who have a keen interest in these proceedings as well, and I imagine they are reacting the same way I am and saying to themselves: Fine, the Liberals are against the Goods and Services Tax, against free trade with the United States, against the government's Budget, and in fact against everything this government has done. On the other hand, they are asking the government for more money for farmers, for the refugees who are a specialty of the Immigration critic—I have often heard him talk about the refugee situation, immigration, and so forth—more assistance for fishermen and increased assistance for families.

They want us to ensure there won't be any taxes for truckers, because they have problems, and that I agree, with the Americans. They are indignant about cross-border shopping. I think we should start a campaign to enhance Canadian nationalism and ask Canadians to buy Canadian, because we have the social services Americans do not have. Of course the system costs more. Mr. Speaker, I really wonder what would happen if the government were not committed to reducing the deficit and thus enhancing Canada's position internationally. I wonder what the Liberals would do. I don't know whether the hon. member would care to respond. This is probably more a comment than a question.

Mr. Sergio Marchi (York West): Mr. Speaker, our party is not alone in its fight against free trade and the GST. The Canadian people are against this government's programs. It is no accident that the government is down to 15 per cent in the polls, in this country. This is not something that was dreamt up by the Liberals, it's reality, the opinion of people who don't like this government's policies any more than they like its programs. We are working for Canadians, and they want an alternative. Well, we are ready for an election. We have programs. We have alternatives to offer. When my hon. friend moves to the other side of the House, she will get plenty of answers to her questions.

[*English*]

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, one only has to walk down the streets in small communities in this country to see the devastation of small business. I see store closings, I see empty stores, I hear of people being laid off. In my riding yesterday, I heard that one of the major farm equipment dealers was putting his entire staff on shared work programs. I have a major tire dealer who has written and told me that a staff of 16 is now down to 3. I am seeing this type of thing, either tremendous reduction in the labour force or closures of businesses or empty stores. That tells us the plight of small business.

We do not have to go beyond that to know small businesses' problems. I think that the debate this afternoon is to zero in on what are the causes and then what are the remedies. It is very important, if we are to examine the problem from causes to solutions, to really

look at what small business is telling us. If we were to look at the positions they put forward, we would quickly understand some of the difficulty they experience every day.

First of all, let me point out that small business is the basis of business in this country, the generator of jobs. Three out of four new jobs which have been created in the past 10 years in Canada have been created within small business. We know that the way small business goes in Ontario or British Columbia or in the maritimes is the way the country goes. Small business is attempting to tell us where some of the myths about how much money is being made by those who own small businesses, and that really is a myth. I am not really sure that everyone realizes that 61 per cent of the self-employed small business entrepreneurs in this country earn less than $27,000 a year. In the general population, it is 54 per cent. Small business owners, entrepreneurs in the low categories earn less money than the general population.

In the $27,000 to $40,000 income bracket, while 22 per cent of our country's population falls in that bracket, those people in small business to fall in that bracket are only 16 per cent. Fewer small business entrepreneurs earn from $27,000 to $40,000 than the average in the country.

When we go to the higher figures, it is again very much against small business. Incomes of owners of small business is much less than the average income in this country yet they generate the majority of jobs in this country.

Why are those incomes less? We have talked about taxes. We have talked about interest rates. We talked about input costs to business. Very clearly it has to be understood that before the GST was put in place, the average Canadian small business was paying in the neighbourhood of 34 per cent taxation, while its counterpart in the U.S.A. is paying in the area of 29.5 per cent.

The GST has pummelled much of that small business just by extra cost. At the same time, the GST has created a perception of over-taxation to everyone who walks into a store.

We take the 8 per cent provincial tax in Ontario, add the GST on top of it and in my riding, people say: "We are driving away business in droves." When you buy a product and you go up and pay for it, at the same time, you have to pay 15 per cent more in taxes. American tourists who are very abundant in southwestern Ontario do not come nearly as much. When they see those tax increases, they walk away very rapidly.

That is one of the major problems that small business is facing; the perception that taxes are extremely high and the reality that in fact they are really high.

Second, I think if we look at the phenomenon that has been created in the last five years but certainly far more in the last couple of years since the GST has been introduced, that is cross-border shopping, we certainly realize that in areas where we are near the border, we receive monthly or weekly circulations from communities across the border. They send to each one of the residents in Essex County, Windsor, Chatham, Kent County brochures telling them where you can get deals, what kind of buys you can make. They are really hard hitting sales items that are brought in from the States to our communities.

I do not blame people for going across the border and shopping for those values. I do think that we have to look very carefully at what we as the Canadian government, provincial government as well as business can do to prevent that from continuing.

I know that if we do not take an aggressive position to deal with the cross-border shopping issue rather than look away from it, we are going to be in dire trouble.

I would like to read a quote from the mayor of Windsor, John Millison:

> Cross-border shopping is part of a tax revolt across Canada. I don't think Ottawa understands or realizes it. Ottawa still thinks it's just a new fringe group here and there.

Cross-border shopping is destroying many, many small retail businesses in our country. It is taking the tax dollar away from our federal, provincial and municipal governments. As a result, I think we have to act very rapidly to alter that.

I do believe we must start looking at taxation, interest rates and perceptions of high taxes. We realize from store closings, we realize the farm community and the automotive industry in my area have lost tremendous jobs, and there are fewer shoppers and a lot less dollars to be spent in small business. They are under a great

squeeze. Unless we take actions that have been suggested by the Canadian independent businessman's group, unless we take actions as we have heard from businessmen across this country to change perceptions to help small business and to encourage business in this country, we are going to be in dire trouble in the future.

• (1430)

Mr. Speaker, I know you have a great deal of concern about small business and what is happening. I hope I do not hear another member of Parliament saying it is a frivolous debate this afternoon. It certainly is not frivolous. It is a deep concern we all have. It is a concern that this government must address.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have listened attentively to the speeches of a number of members today. I was very impressed particularly with the speech of the hon. member for Essex—Kent who has just spoken. He is very knowledgeable. Unfortunately, I guess he is knowledgeable in the area of cross-border shopping. The reason why he is unfortunately so knowledgeable is because like me, his constituency has been a victim of that terrible situation that we have facing us in this country now.

The government across the way likes to pretend that the GST has had no influence on cross-border shopping. I received a letter which I have in front of me, not from a constituent but from a lady who writes from Pierrefonds, Quebec. She states: "After listening to the Minister of Revenue state in the House of Commons that the GST has had no effect on the increase in cross-border shopping, I think you should draw to his attention the statement in the enclosed American newspaper clippings".

The newspaper clippings that this lady has sent me are from Plattsburg, New York, a newspaper called *The Press Republican*. I have another one here from Lake Placid and another one again from *The Press Republic* of Plattsburg, New York, from a different day. Here is one that I want to bring to your attention. This article signed by Meg Denison talks of the following. It is entitled "Canadian shoppers flock to New England". Here is what it says in one paragraph: "Higher taxes in Canada also are sending more Canadians over the border to northern New England. A controversial 7 per cent general services tax was enacted earlier this year, plus Quebec levies a 7 per cent provincial tax on the goods and services". It goes on to describe all those problems with cross-border shopping.

I want to ask my colleague: How is it that his constituents and mine know that the GST is a major cause of cross-border shopping, that American business is taking advantage of it or is aware of it, that American journalists' writings are aware of it, that Canadians generally are aware of this problem, but that the Conservatives across the way have not discovered it yet?

Mr. Pickard: Mr. Speaker, I would like to thank my colleague for a very deep based thoughtful question. This question is one that is being brought about by advertising, by newspaper articles, by all kinds of information coming forward.

I have an article here that was printed in the *Detroit Free Press* which tells how high the Canadian taxes are in comparison to American taxes, which encourages businesses to go from southwestern Ontario into the United States, which really suggests to American shoppers not to come to southwestern Ontario.

Ernst Young has done a report, a very careful report, about cross-border shopping. In it they suggest there are three levels of declaration of people coming across the border. Level one is the verbal declaration of someone who comes across the border with less than $100 worth of goods. That has increased since 1987 by 285 per cent. They also suggest that written declarations of people returning to Canada with $300 worth of goods have increased 325 per cent. Finally the number of people who fill out forms and pay taxes coming across the border in the last few years has increased 500 per cent. They outline all of the reasons for cross-border shopping and make it very clear that taxation is a primary motivator. As well, gasoline taxation in Canada: people going across the border to fill up their cars. Liquor: people going across the border to buy liquor.

Those taxes are increased by this government every time a budget comes along. We should not deal with just GST. We should look at the gasoline tax, the liquor taxes and all other taxes that have been imposed on Canadians

which have driven them out of our border communities into the States.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): I would just like to ask my hon. friend about provincial taxes under the Liberal government of Premier David Peterson. He increased 28 different taxes on the business community while he was premier. He brought in a special tire tax. He brought in the special garbage tax. He brought in a special increase in the corporate tax. Now the NDP government there refuses to collect the provincial sales tax on tourists bringing things back into Canada.

An hon. member: In what riding did David Peterson run?

Mr. Hockin: David Peterson was the provincial member of Parliament from my riding and he lost by a huge margin. I have to tell you that the people of London care about these issues too.

The reason I am mentioning this is that there were many taxes brought in by the provincial Liberal government in the province of Ontario. Is the hon. member suggesting that they should be cut or done away with?

Mr. Pickard: I would like to thank the minister for his question.

The federal Liberal Party is not responsible for provincial government decisions, but I might point out that it is very clear that the Peterson government did increase taxes dramatically and there was strong reaction to that government. We all know that, but I must point out to the minister as well that the Peterson government showed a great deal more wisdom than the Tory government, because it balanced the budget. It did not run an extra $30 billion in debt. Your government not only increased taxes, added the GST, did all the horrendous things we are talking about by doubling taxes virtually over a short period of time, but it also ran a $30 billion debt year by year by year for every year that it has been elected.

You talk about fiscal responsibility. I might point out very clearly in the policies that this government has adopted it came in with a $180 billion debt and it has now brought up to the $400 billion level. When we consider high taxes, certainly that is one problem, but I think not only have you brought about high taxes. You have also raised our debt higher and higher and higher so that we are having difficulty functioning in this country. I would say that it is a crime the Tory government has done that.

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I certainly want to commend the hon. member opposite for raising this particular motion today because I think it gives us the time to talk about the economy, talk about what is going on in this country, and refer to some of the things in the motion. Maybe I will get to that a little later on.

I noticed in listening to him, and I did listen, that he was talking about tax reform and some other things. The Constitution came up in his discussions in the debate. He reflected something that I am hearing in my riding also, that people are kind of sick and tired hearing about the Constitution. There are other things to get on with. We have got this economy to get on with.

I think the economy is a very major part of our constitutional process and the constitutional proposal. I think it is very incumbent upon all of us to include that in our discussions.

• (1440)

If our economy is not good, if our economy is going down, if our barriers to trade and all the things that we talk about are there, it is going to be very difficult to get unanimity, certainly to get consensus, in a country that is feeling the pressure and not having the ability to move on into other directions. I think those other directions are very important.

I want, as does the member, to feel good about this country. I think the people of Canada want to feel good about this country. In order for them to do that, small businesses, large businesses, employers and employees must feel good about what they are doing. They must feel that they are contributing not only to the constitutional process but to the economic development and improvement of this country. I think that is a good start.

Another aspect of the member's motion and what he talked about was his book on a single tax. I have read that book. It took me a long time to get through it, because I put it at the side of my bed and I kept falling asleep every time I read it. I do not think that was because of the content from the hon. member, but maybe it was the fact that we do not get to bed too early around this place

sometimes. He has some good concepts in there and some concepts worth while pursuing in certain areas. Basically I like the idea of it. I do not mind saying that publicly as I have said to him personally. The concept is good. There are some things about it that caused me some difficulty as I am sure they did him. When we look at it he made changes in it and even refers to that in the book.

I think what the member is saying is that he is trying to be constructive and provide constructive alternatives, and I like that. I think that is very commendable. It is not like the lead speaker from the third party in this place who was talking earlier today and blaming the federal government for unemployment statistics. Where they are bad it is the federal government's fault; where they are good it is the provincial government's bonus. They are doing a great job because they happen to be up in one area. It is the NDP provincial government that gets the credit. I think that kind of debate is not constructive.

One thing the member raised in his speech was increasing the budget for tourism. I can recognize that. Tourism is very important. We have talked about that. It is important to people in my riding of York—Simcoe whom he is aware of. They have got a problem. There is no question. When you quadruple the budget—I think that was the number he used—those tax dollars have to come from somewhere because they are tax dollars from the citizens who live in my riding, as well as the citizens in Broadview—Greenwood.

The member talked about environmental technology, that we have to put a push on there, that governments should be pushing that and getting financially involved in that area. That may be so, but I know a company in my riding called Engine Control Systems that is now world-wide. It has now developed a system of purifying exhaust from buses, that kind of diesel-type production, dropping the levels of pollution that comes out of these vehicles. It is going ahead. It now has an international contract. It is working with the United States, Mexico and a few other countries. I am very proud of that company. In fact it won the achievement award last year. It was the first time ever it was given out in the environmental field by the Government of Canada. I am very proud of the company and I see the work that it is doing. It did that without government intervention, that word that scares me and I think it scares the member opposite.

Then we talked about the banks. Yes, I think there is concern about the banks not lending money to small business, even though there are programs there that the federal government has endorsed over the years to help. I do not think they are being as co-operative as I would like and certainly as the business people in my community would like. I agree with the member on that.

If I take those three or four things that we have talked about, the part that concerns me is that that means more government intervention. That means more government daily involvement in business. That means more bureaucracy, more tax dollars and, quite frankly, poorer run businesses in my view because I do not know of a situation where I can compare a business that is run by government and one that is run by private enterprise. If I compare those two businesses, I do not know one that I would say is more efficiently run by government regardless of the level of government. I think back to a few years ago when I was a member of municipal council in my home town of Newmarket. We got into this very same debate, not on the scale we are talking about here, but we were talking about concessions in arenas and who should deliver them. The municipality controlled those concessions for a while and it cost us a pile of money at the end of the year. We had bidders in private enterprise saying that they wanted to come in and do that. They were prepared to do that and they did it more efficiently. They made money.

That is what private enterprise is all about. It does not want government involvement. It wants to get government out of it. I think it makes a lot of sense in that way.

One thing I have heard about is what the Government of Canada is doing for small business, the tax situation and tax initiatives, and there have been lots of them. We can talk about the capital gains exemptions introduced for small business and the pension fund initiatives. We can talk about increased RRSP contribution limits. We can talk about the relaxation of ownership limits. All these kinds of things are very important, even the reduction of the federal corporate tax rate.

Lots of things have been put in place with regard to helping small business. I think those things have to be addressed and I think they should be talked of in a positive light because there are opportunities. I think it is a great opportunity for small businesses today and if we can get them thinking that way I think that will help, those 900,000 companies. Maybe we can make it into a million or 1.2 million companies. Let us make them solid. Let us give them the opportunity to be successful.

I am sorry our friends from over there are not here, but I do not consider profit a dirty word. I do not consider it a bad word. It is what makes this country click. It is what makes our economy click. It creates jobs, jobs. They did not feel it was important to talk about the economy of this country and small business, so they did not feel it was important to come today.

One of the points the member mentioned was the paper burden on small business. I do not think too many of us would argue about the amounts of paper, the paper that certainly crosses our desks. I know the amount of paper that crossed our desks when we were in a different life, before we became elected.

You look at it and you ask what the government has done. The government has done a number of things and the list goes on and on. In fact I have a list here of 20, 30, or 40 of them, whatever it is. I could not even get through them all. I wanted to bring to the fore a few of them because I think they are important. The government has met with small business people and asked what it could do to make the system smoother, to make it easier, to make it easier for business to show a profit. That is what it is all about.

There were changes that were made to the Patent Act. That was one of the ones that was very important.

Another one which I think is very important and is going to help Canadian business and employees of Canadian business is the reform to the Bankruptcy Act. That is something that has been banged around and bashed around in this place and in many places for years and years. There obviously had to be changes made to that, simplifying the information burden requirements for both debtors and creditors. That makes a lot of sense to business people. They can understand that.

There have been all kinds of other things. One of the most interesting ones that I came across was something that I did not know about and I am sure members opposite did not know about it: the forms review within Canada Employment and Immigration. It was undertaken for the development, printing and use of all new and revised forms in employment and immigration.

There were 10,500,000 forms declared redundant and were rejected, 10,500,000 forms floating around this country affecting small business through employment and immigration. There was selective elimination and standardization, and now there are 3,000 official forms. There were 10,000 eliminated and we are now using 3,000 forms, which sounds like an awful lot to me but is one heck of a lot less than what has been out there and what we have been used to. I think that is a major step in the right direction.

Turning to statistic gathering, I know Statistics Canada has an important role to play in this country.

• (1450)

We look at the information quite often and in fact it is quoted in this place quite often. There have been a number of steps taken to assist small business, such as lengthy questionnaires being replaced by short forms. Most of the retailers, I think the figure is 85 per cent of the small retailers, no longer have to fill in annual questionnaires. Their results are taken from the tax records. The information is already in the system. It is just a case of getting it from somewhere else.

That seems to make more sense. The list goes on, but I do not want to bore you with all the details. However, it would be worth while for those people interested in this particular topic to talk to the ministers of finance, revenue and small business and get a copy of the list of changes in these areas.

The other point that has come up quite often, and I think we are rehashing an old debate but it has been brought up quite regularly, concerns the goods and services tax which replaced the manufacturers' sales tax.

I had, as did everyone else, an awful lot of people say to me that they were against the goods and service tax. I said in a public meeting that I was against the goods and services tax too. I am also against income tax, business tax, property tax, and all the other taxes. However, I happen to like the benefits they provide whether at the local municipal level, the provincial level or the federal level.

Somewhere along the line we have to pay bills. If we want these services we have to pay for them. I think the hon. member in putting this motion was suggesting that we try to have something that was fairer and more equitable, and I agree with that. I think we have to focus in that direction.

Those members talking about the goods and services tax must recognize that it replaced a tax that virtually all sides of this House agreed had to go. The manufacturers' sales tax had to go. It was bad. Talk about loopholes. I think there were something like 22,000 special deals in one act affecting 750,000 people. The numbers were astonishing. That did not make a lot of sense to a lot of people.

The question became what to do about the difference in revenue. If you eliminate the manufacturers' sales tax that is fine. Eliminate the manufacturers' sales tax and where do you get the $15 billion or $18 billion that tax generated on an annual basis? Do you add it to the deficit? I do not think too many people would agree to add it to the deficit. I know that none of the people in my area would agree to add 20 per cent to 25 per cent to their personal income tax. I do not think there would be too many in my area willing to do that.

The question became where to get the revenue from? Because we have to get the revenue I have heard that maybe we could tax the very wealthy in our community, in our society. That is probably fair. I do not argue with that if we can eliminate those loopholes. I think most of the loopholes have been eliminated. Certainly people are telling me that over the last five, six or seven years most of them have been eliminated. It is getting harder for an accountant now to find these loopholes.

Maybe what we are doing is reducing the work force of accountants because they are not finding the loopholes and do not have the ability to buck the system we are trying to make fair.

There was a lot of discussion with small business pertaining to the goods and services tax. When it was first proposed there was no question it was going to be a major burden, financially. It was going to be a major burden of paperwork, reporting and all the other things that go with it. However after discussions with small business those changes were made. There are still going to be changes made.

Here is a tax that is less than a year old. I expect that fairly soon we will see some other changes pertaining to the goods and services tax to make it more efficient, to make it more equitable, and to make it easier for businesses to comply.

The GST registration form, which I think we all thought would be page after page after page, has been reduced to one page. That seems to make a lot of sense to me. I do not have business people complaining to me now. Sure, they complained the first month or the first three months when we first put it in, but they understand it now. Their system is working.

The filing frequency was changed to make it easier for the smaller businesses so they did not have to file as often. It varied with their system to make it easier for them.

Another question small business raised was: What can we do to make it easier for the very small business, the largest group of our small business community? We brought in a quick method system, which was endorsed by the small business community, has been complied with by the small business community, and seems to be working pretty well. This quick method of filing, a two or three liner, is now done by 600,000 small businesses. They have the information. They know what their gross sales are and they know what their gross expenses are. They just add and subtract and multiply the difference.

I think the Government of Canada has been very responsive. I am not suggesting for a minute that all the answers are there, that it is a simplified tax system, that there are not difficulties for small business. However, I am one of those people who feel good about small business in Canada. I am one of those people who are optimistic for the opportunities that small business has in Canada. If we talk about some of the positive things, some of the things that can happen and the opportunities, I think business in Canada will respond. I think business understands the difficulty the federal government is facing with regard to the Constitution and all the ramifications of that. I know that the people in my community want to be successful; they want to make profits. If they do that, that is good for Canada. That is good for everyone.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I will make a short comment because I know we are trying to put as many people forward today as possible in this very important debate.

First of all, I want to congratulate the member for York—Simcoe who has always taken a very constructive and creative approach on the floor of this House of Commons.

I wanted to clear up two points. First, I was not suggesting when I spoke earlier today that I did not have a concern about the Constitution of this country and the effect that it will have, if properly concluded, on unity and ultimately the economy of this country. The point I was trying to make—and we are partly accomplishing it today—was that there are thousands and thousands of entrepreneurs and people out there who would like to see us spend more time in this House on of the micro-economic problems facing us, some of the specifics. I just wanted to clear up that point.

The one question he did ask in his speech was if we did not have a GST and were to take a more radical approach to comprehensive tax reform, where would we get the revenue that we would no longer have from a phased out manufacturers' sales tax? I would suggest to the hon. member that simplicity and fairness in a tax system will dramatically increase the productivity in this nation.

That productivity will do two things. It will create better products at better prices, which will also attract foreign investment. That will obviously place downward pressure on interest rates. That will mean that our borrowings for the Treasury will be less and that our unemployment insurance draw on the Treasury will be billions of dollars less because we will have dramatically fewer unemployed people.

I do have confidence in entrepreneurship and specifically small business in this country. However, we have to take a leap of faith in the small business communities of this country, especially when there are so many of them. We took a leap of faith with the free trade agreement, and I think that if we took a leap of faith with comprehensive tax reform the increased productivity would show dramatic results.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I have a very quick question. I used to live in the riding of my hon. friend from York—Simcoe and I am aware of his success as a small businessperson, so when he speaks on this subject I listen very carefully.

He wanted to spare this House some details on what the government has done to reduce the paper burden.

• (1500)

I do not think he should feel he has to spare us the details on this at all. I would like to hear just a few more examples of what the government has been doing to reduce the paper burden for the small business community in Canada.

Mr. Cole: Mr. Speaker, I thought it was a good question.

I will try to go through some of these as quickly as I can. I want to mention to the member for Broadview—Greenwood that I was not inferring that he was not concerned about the Constitution. If my words came out that way, I apologize. Certainly, that was not the intention.

I agree with him completely on simplicity and fairness. That is what I was referring to in some of the other things that I was talking about.

Some of those special arrangements to make it easier for small business, the Work Place Hazardous Materials Information System, the establishment of uniform national information requirements for product suppliers means that small businesses are not faced with labour requirements that differ between provinces. It is a simple little factor, but it makes it easier.

Records of employment: Steps have been taken to implement a simplified mechanism to reduce the paper burden of employers with regard to the unemployment insurance program. Small business co-ordinators have been set up within the CEC.

With regard to domestic workers which a lot of small business people seem to be involved in when they are bringing foreign live-ins to help them in that area, there has been a streamlined administrative procedure that facilitated the processing of requests from employers concerning domestic worker movement.

That seems to make it a lot easier. There have been a number of things under Industry, Science and Technology to help small business reduce the paperwork. A native entrepreneur program has been done. There has been the development of a four page statement of intent

form, which is designed to make an initial determination of eligibility for the program.

They no longer have to complete the whole application. They can find out basically by initial letter, saying what their intentions are and how they expect to set the program up. That seems to make a lot of sense to me.

There has been a customs automated data exchange system set up. That is going to help the importers and exporters. That seems to make a lot of sense when you look at it.

The number of types of bonded transactions, there used to be 26 of these. I am not too familiar with that kind of thing, but that brings it down to one.

When you look at the export situation and the statistics that go back and forth between Canada and the United States, the two countries were bringing their own statistics. When one country would do it, the other country would not use theirs.

I think that has eliminated somewhere in the neighbourhood of 200,000 documents every month just by having that type of an agreement with the U.S. There have been a lot of things, whether it be product certification, special import measures, automated customs tariff or simplified income tax guide. These are all the things that have presently been done or are certainly very close to being completed.

I think the federal government has been very supportive. There is probably still lots of room to manoeuvre and lots of steps to take, but we are getting there.

Mr. Maurice Foster (Algoma): Mr. Speaker, I hoped to have a little longer intervention, but I wanted to at least congratulate the hon. member for Broadview—Greenwood on the motion that he has put before the House today.

In the years that I have been a member of Parliament, I cannot remember the kind of overt concern there is with the economy. I have never seen people less confident in this country that we will survive. It is not just the government's monetary policy, which has been absolutely Draconian for the last three or four years where we have seen the highest interest rate in real terms in history.

Interest rates have gone down since last spring, but clearly the year before and the year before that, we were looking at 13, 14 and 15 per cent interest rates when the inflation rate was only 3 or 4 per cent, giving a real interest rate of some 8 or 9 per cent. Even when we were at the very high world interest rates in the 1980s, our real interest rates were not any higher than that, and that was an international situation whereas this is brought on by the government.

That combined with a dollar that is over-valued by everybody's estimate has totally jangled the entire business community as to whether it will survive. We see plants closing day after day, moving to the United States. So the member for Broadview—Greenwood must be congratulated for a wonderful motion, a motion which descriptively sets out the concerns that every Canadian has in big business, in small business, right across the land.

Mr. Cole: I do not think there was a question there for me. I think the member was being laudatory and I congratulate him for that.

I do want to comment on one thing. He did not say the same words that are usually used in this House, this made-in-Canada recession, and I find it hard to believe that this made-in-Canada recession affected the United States, affected England, affected Europe, affected all these other countries.

I think it is being a little silly.

We have a world-wide recession and we must accept that fact. Canada is going to come out of it. The Canadian economy is going to boom and small businesses are going to be successful.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I cannot rise to the eloquence of my hon. colleague from Algoma in commending the member for Broadview—Greenwood on his motion, but I too would like to say that the hon. member for Broadview—Greenwood has once again with this motion demonstrated the great contribution that he is making to this place with his ideas, his vision, his energy, his enthusiasm and concern for Canadians. Today it is small businessmen.

Some hon. members: Hear, hear.

An hon. member: Dennis for Prime Minister.

An hon. member: How's that, Mr. Speaker?

Mr. LeBlanc (Cape Breton Highlands—Canso): We are on a serious subject, Mr. Speaker, and it is difficult to fully comprehend the damage which this government has inflicted on Canadians. No where is this damage more pronounced than in my native Atlantic Canada. We all know the causes of this common distress, the high dollar, the high interest rates, cross-border shopping, the GST, and the most revealing sign of all, almost a million and a half Canadians currently without jobs.

The common denominator is a government whose policies reflect a profound lack of concern for the plight of ordinary Canadians.

Last spring I had the opportunity to co-ordinate the Atlantic portion of the national Liberal task force on the recession and the Canadian economy. My colleagues and I held a total of seven hearings in all four Atlantic provinces. We heard from nearly 100 witnesses, each with their own story to tell, each different, but each with certain common elements.

In New Brunswick we heard from the Chaleurs Regional Development Commission which struck a very familiar note. It argued that federal monetary policies addressed the upper Canadian economy. The present system impacts negatively on Atlantic Canada and offsets any benefits that may accrue to the region through interest buy-down programs since the programs only cover manufacturing and select service sector companies.

Also the paper burden and minimum standards discourage many from applying.

Current federal assistance programs should consider assisting companies to reduce their interest on their operating loans if Ottawa is to continue with a single monetary policy from sea to sea.

What does this have to do with the motion currently before the House, Mr. Speaker? Everything. The motion presented by the hon. member, my colleague from Broadview—Greenwood, is timely and well considered. It touches on exactly what our task force heard throughout its travels. It runs to the heart of the crisis which currently befalls Canada's small businesses, business owners and workers, high interest rates, the high dollar, the crushing paper burden which suppresses the entrepreneurial spirit so essential to innovation and success in business, and the need for better funding programs which serve to encourage, not discourage, local small businesses.

The Chaleurs Regional Development Council's primary responsibility is to help small business get off the ground and succeed. That is why our task force was so interested in listening to their comments. What we heard from the council was merely typical of what Canadians in all parts of Canada know to be true.

• (1510)

It is small business which creates the jobs that employ so many Canadians. It is small business which injects so much money into local economies and drives the economic engines of so many small and medium sized towns throughout Canada. It is small business which is suffering most as a result of this government's fiscal and monetary policies.

The government will as usual claim that it has done everything it can for small business. Let me quote an editorial from the Halifax *Chronicle Herald* which appeared on June 17 of this year:

> A new study by the Atlantic Provinces Chamber of Commerce aims to restore some respect for the region by showing its businesses are getting a bum rap. Some of its findings are compelling. For example, when 1,033 Atlantic businesses were surveyed for the Chamber by Omnifacts Research Limited in March, only a third reported getting financial assistance from government. Only a third of those got help from a federal department or agency. One in nine firms hardly makes Atlantic Canada a hospital ward.

The editorial goes on to say:

> A sensible conclusion is that if Ottawa wants to make a difference in the region, it might worry less about the one in nine firms seeking aid and pay more attention to the one in two which believe they have something to sell at a competitive price.

It should be noted, Mr. Speaker, that this editorial appeared under the headline "Getting some respect". That is all small business wants from this government, some respect.

The survey to which this editorial refers was a comprehensive survey performed by Omnifacts Research based in Dartmouth, Nova Scotia. Over 1,000 businesses across the four Atlantic provinces were contacted between March 14 and April 9 of this year. The results were quite astonishing.

In terms of government support for entrepreneurs, more than half of the businesses contacted found the level of support to be inadequate in such crucial areas as providing access to skilled labour, direct financial assis-

tance; counselling and guidance, access to science and technology; and information on marketing opportunities.

I was particularly struck by the report's conclusion, however. The findings concluded that businesses in Atlantic Canada "are not looking as much for government help in the traditional forms, i.e. grants and local spending, but are seeking assistance and support of becoming more competitive and self-supporting". The report's conclusion goes on to say that the business community in Atlantic Canada "is recognizing the fundamental changes taking place in the economy, and the growing importance that must be placed on such areas as entrepreneurship, training, technological innovation and broader markets".

It is this, that the motion of the hon. member for Broadview—Greenwood addresses so succinctly and effectively today. The motion is a strong reflection of the understanding that he has of what businessmen in his riding are currently facing.

It is in these areas where the government has failed our businessmen and women and our entrepreneurs. Not only has it failed them, this government has succeeded in stacking the odds against them. There is no better example of this than the government's implementation of the goods and services tax.

The GST has created havoc for small businessmen. It is difficult to know where to begin in describing it. Let us first begin with the administrative nightmare caused by the increased paper flow. Let us look at the start-up costs imposed on Canadian taxpayers of some $900 million. Let us look at the inflationary jolt which the GST has prompted.

The effect of the GST has been profound and devastating on Canada's small business people. Nowhere has this impact been more pronounced than in the field of cross-border shopping. Canadians are in the midst of a tax revolt and are flocking across the border to purchase cheaper goods in the United States. Canada's small business people have been severely hurt as a result.

The facts speak for themselves. The incidence of one-day trips to the United States by Canadians has increased from 25.9 million in 1986 to 51.8 million in 1990, double the amount. Cross-border shopping has increased by 100 per cent in the last four years and by 20 per cent in the last year alone. This has meant an estimated loss in retail sales of $2.3 billion annually for the Canadian towns and cities near the U.S. border. How can small business people compete, let alone survive?

You may remember, Mr. Speaker, that this year's major league baseball all-star game was played on July 9 in Toronto at the SkyDome. Many Canadians felt an immense amount of pride that Toronto received such media attention in the United States. Of course there was a down side to all this media exposure. One report appeared on ABC *World News Tonight* where more Americans get their news than from any other news source. This one report showed some American tourists in a Toronto shop shaking their heads in disbelief at the high prices. They wondered aloud how Canadian consumers could get by. It is a wonder they do get by given what this government has done to the economy.

Canada may only just be emerging from a recession brought on primarily by this government's policies. I say may because this is by no means certain. Traditionally when an economy enters a period of recovery after a recession, the corresponding growth is export led. This is not the case this time. Our trade surplus is woefully inadequate, as low as it has been for many years. Quite frankly, there is one reason for this; the high Canadian dollar which many have suggested is a result of some secret deal between our government and the U.S. administration following the free trade negotiations. That certainly has been an allegation of at least one former minister of this government.

For every cent which the Canadian dollar raises against the American dollar, Canada loses some $1.3 billion in exports. Is it any wonder that our supposed recovery from this recession has not been export led? Is it any wonder that we still have 1.5 million Canadians unemployed? Is it any wonder that our entrepreneurs and our small business people are suffering?

What I admire most about the motion before the House is that it draws attention to the important role which small business plays here in Canada. It acknowledges that "the innovations and jobs created by Canadian entrepreneurs constitute the best hope for the Canadian economy and society". I am sure there is nobody in this House who would disagree with that proposition. Surely the government must agree. Surely

the government recognizes the integral importance of small business to free enterprise in this country.

I would therefore challenge this government to respond to the second portion of this motion which states that the government must take immediate steps to reduce interest rates, lower the level of the Canadian dollar, reduce the paper burden on small business, and make available more funding and loan guarantees for early stage companies.

At the moment the government is doing exactly the opposite. It is crushing out the entrepreneurial spirit. It is forcing small businesses into bankruptcy with its high dollar and high interest rate policies and, with its taxation policies, is driving Canadian consumers to shop across the border.

It is time that the government reversed these policies and started treating small business with a little respect. It should start realizing the importance that entrepreneurs and small businesses have in economic recovery and start supporting those small businesses.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I would like to congratulate the hon. member for Broadview—Greenwood who moved the motion before the House today. The hon. member has a lot of ideas, and this motion gives us a chance to speak directly to the problem facing this country.

For the benefit of those watching us, the motion reads as follows:

> That, in the opinion of this House, the innovations and jobs created by Canadian entrepreneurs constitute the best hope for the Canadian economy and society and that, therefore, the government must take immediate steps to reduce interest rates, to lower the level of the Canadian dollar, to reduce the paper burden on small businesses, and make available more funding and loan guarantees for early-stage companies.

• (1520)

Mr. Speaker, the hon. member for Broadview—Greenwood understands the problem perfectly. Not that I had any doubts. However, I don't consider myself an expert, especially since even experts make mistakes. In any case, before discussing economics, I preferred to consult the grass roots, the people who are confronted daily with the problems of small business.

Mr. Speaker, I discussed this motion with a researcher at the *Conseil du patronat du Québec*. As you know, the CPQ is a provincial agency in Quebec that represents small business. It has thousands of members in the small business community. They discuss the issues, they do research and they have any number of meetings with people every month to help them be competitive in the business world. What the researcher at the CPQ told me was more or less what the hon. member says in his motion, namely that small businesses are stuck with an overvalued dollar, that taxes are too high and above all, there is too much paper burden and red tape.

The CPQ explained—and I already knew this through my personal experience in small business—that Canadian banks belong to one of the most stable banking systems in the world. Canadian banks do not go bankrupt the way they do in the United States, where people lost all their savings because their banking system is not as sound as ours. On the other hand, we have to pay for this stability. Unfortunately, Canadian banks are reluctant to take risks. Real entrepreneurs who want to go to the market face banks that require endorsers as soon as the slightest risk is involved. Our listeners in Quebec know how difficult it is to persuade bank and credit union managers to lend risk capital. This is a very important factor.

It is true our Canadian banks are reliable, but they lent money to Third World countries, and most of those loans have been written off. The banks took risks in Third World countries, countries that seemed to be developing, and they lost hundreds of millions of dollars. I would not dream of giving the banks advice, Mr. Speaker, but I think they should realize that the risk concept is a given in a competitive society like ours, especially under a capitalist system. And even if the banks know there will be losses at the end of the year, it would be worthwhile to consider the concept because it would help small business.

Mr. Speaker, small businesses are a very important part of the economy, as the hon. member from Toronto and other members mentioned earlier. Seventy-five per cent of all jobs in the manufacturing sector in this country were created by small business—75 per cent. That gives you some idea of the strength and energy of small business and how important it is for the govern-

ment to give them the help they need, and I will get back to this in a few moments.

Big international corporations, take for instance General Motors, have received grants worth more than $200 million to save 2,000 jobs. There is no doubt that the economic situation has a tremendous impact.

But imagine what hundreds of millions of dollars could do for small business, what it could do for the economy in each region. As you know, small business helps regional development—

An hon. member: It helps national unity too.

Mr. Assad: Yes, it helps unite the country, as the hon. member said. Mr. Speaker, not only does small business create 75 per cent of the jobs and help regional development, but without it, regional development would be impossible and small municipalities across Canada would have trouble surviving.

This is just one more reason why the government should consider this question and revise all the rules that existed in the past. I heard some ideas put forward in the House by the government, the NDP and by our own party. All these ideas contain some useful elements, but I think we have to take a radical position. We have to say: Listen, we are convinced, and we need only look at the evidence of the past few years, especially the last ten or fifteen, that small business is the most important motor of our economy. Once we have set aside all the rules we had in the past, we can advance with leaps and bounds. We will take radical steps to ensure that small business gets all the help it needs to develop.

Mr. Speaker, there are solutions, and this was in consultation with the CPQ. First, it is necessary to have loans to promote small business. No handouts, no grants. Small business wants the government to make available or guarantee loans so it can get started. This is one of the most important aspects of developing small business, in other words, ensuring funds are available.

Of course, we don't expect the government or the banks to give small business a blank cheque. There is a certain process, as the CPQ explained, and I understand that. Second, know the market, which is only common sense; third, know your product, and then know the best ways to market it. There are experts in this area so the expertise is there. Of course there is also the question of economic feasibility.

As for the criteria, if small business, if entrepreneurs and beginning entrepreneurs meet these four criteria—and there might be others, of course—but if they can meet these four criteria, they will be prepared to face the competition. They will be productive and competitive. But if they don't get a chance —You cannot make something out of nothing. They need this help. I think that was one of the elements emphasized by the CPQ.

Mr. Speaker, let's not forget training. This is a key element. Without training, you will not get anywhere. There is a debate taking place in France at this very moment, which I am following very closely, and I say this for the benefit of our listeners. The French Minister of Education has realized that training has become extremely important in a highly competitive world where the word productivity is sacred. The French Education Minister said that unfortunately, the French are not like the Germans. As you know, the Germans have a great tradition in their country of apprenticeship schools, technical schools and trade schools. They are the best in this respect.

So the French are starting to realize how important this is and that they also need technical schools and training schools and apprenticeship systems. They have to find industries that are willing to make a major contribution to training. In Germany, industries set the curriculum because they pay for these technical schools, to a considerable extent. Now that is a sensible idea we could use here in Canada. You wouldn't think we had relations with Germany! If the French with their reputation for being inventive and innovative, a reputation they have had for centuries, feel they must look to the German experience which has been extremely positive, we in Canada could also benefit by using this approach to train our labour force.

• (1530)

When we have that kind of training, when governments realize the importance of involving small business, I am sure the banks will sit up and take notice, that risk taking will become a normal thing for entrepreneurs in

the small business community and that job creation will be enhanced for the greater benefit of all Canadians.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I listened with great interest to the speech by the hon. member for Gatineau—La Lièvre, since I know him well. He was my provincial counterpart before the most recent federal election. Now that he sits as a federal MP, he is in a position to know that the federal government and the province of Quebec have programs to help small business.

I would like to tell the hon. member about an experience that happened in my riding with the Thundercraft firm. This company was a gem. It made pleasure boats and the city of Lachute and surroundings were very proud of it. The federal government gave a grant as well as a loan. The IDC, the Caisses populaires savings fund and the bank did also. But there was an internal management problem and you know that when that happens, people and workers say: "You should not subsidize a company that way, because due to mismanagement, it is shutting down and it is our money that you are investing in businesses that are going broke."

I would like the hon. member to tell me what restructuring plan he would like. We should be careful, should we not, because our constituents often tell us—as he should know, we live in the same region—that if this company or business is unable after all to manage on its own—

I am telling him about another school of thought of many people who do not want the government to intervene in small business; they want small businesses to get by on their own, without government involvement. How do you reconcile these two points of view, one that wants intervention and the other that does not?

Mr. Assad: Mr. Speaker, I took careful note of the comments made by the hon. member for Argenteuil—Papineau. I said that small and medium-sized business want less paperwork and administration. That is true as far as it goes, but I see the government as a catalyst in this area. I am not suggesting more paperwork or criteria to meet; I am just suggesting that the government act as a catalyst and invest money. You know that capital is extremely important in developing small and medium-sized businesses; they need funds. They are not asking for gifts, just for help such as loan guarantees, for example.

[*English*]

The Acting Speaker (Mr. Richardson) Resuming debate. There are a number of members who wish to get on before the designated hour. It is an important debate so I think we will resume debate with the hon. member for Scarborough—Agincourt.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I would like to also participate in this very important debate. I congratulate my colleague from Broadview—Greenwood in Toronto, which is also my home town, for giving this House the opportunity to discuss a very important issue, small business.

Why is small business an important issue? It is an issue of survivorship, it is an issue of livelihood. Well over 60 per cent of the Canadian economy is made up of small business. Do you think the government of the day is listening? No, it is not. There are close to a million businesses in Canada. Over 60 per cent of them employ less than six employees. We hear on a daily basis of plant closures. We hear of over 300,000 jobs being lost. How many times do we really hear about the tragedy, the devastation of a small business closing in a small Canadian town? That does not make headlines. That is not discussed in this House. We have our party and the government across the way, and we argue over the figures.

If we were to really discuss the figures, if we were to really look at the plant closures and the travesty that this government has wrought on our Canadian people, that figure can jump through the roof.

The need for discussion on small business in this place is not a luxury but a must. We must discuss and explore ways and means to enhance small business throughout Canada. However, the government of the day, the Tory government, has completely failed small businesses. Small businesses are crying out for support, crying out for leadership. The Tory government, however, slaps them with high interest rates, compounded by a Canadian-made recession, the GST, taxes are just killing them.

The government daily claims that times today are better than in 1981-82. In 1981-82 I, too, was a small businessman and I still have friends who are small businessmen. I can assure you that times today are much

tougher than in 1981–82. The government daily states that we had more closures in 1981–82. Well, those figures are misleading.

In the first three months of this year, there were 3,540 businesses bankrupt, up 39 per cent from the first three months of 1990. What does this government answer? Is there relief in sight for the small businessman? Is this government going to reach out to the small business community and say: "We are going to work with you hand in hand". No. There is no assistance, there is no leadership for the small businessman.

This government wants to lead us down the garden path. In 1988 this government said: "I have the answer for you; I have got the solution that is going to take Canada into the twenty-first century." And what was that answer? 1-800-M-U-L-R-O-N-E-Y, Canada for Sale.

What does the government of the day want to do today? Ah, hold on. I hear the phone ringing. I hear the phone, through the Prime Minister. "George Bush? Aha, we have got a deal for you. Do we have a deal for you, Canadians." And the deal is free trade with Mexico.

Is the government going to take it to the people of the day? Is the government going to ask the people? Absolutely not. What does it want to do? If it wants to fast-track it. It wants to fast-track it so fast and it wants to put it on the table before the general election.

I ask the government: Why don't you put it to a general election? They know clearly that if they go to the election as far as free trade with Mexico is concerned, they will be turfed out. That is another blow to the Canadian small businessman.

Let us examine for a couple of minutes the free trade with Mexico. Do we need to get into it? Must we get into it? The Prime Minister says: "Look at the European experience. Look what they have done. If we get in here we will have $6 billion or $7 billion more". I can tell the government of the day that the European experience is working. Is free trade with the United States working? Is free trade with Mexico going to work? No. The reason for the failure—and I see members across nodding their heads in agreement—is that if a country in Europe wants to join the European Common Market it is put on a waiting list, on a trial basis for eight to ten years. It is told: "Bring your economy up to par with the rest of us, bring your infrastructure up to par with the rest of us, and then we will consider you". When it becomes a full-fledged member its people are not restricted from travelling from country to country to seek work. Are we allowed to travel to the United States to seek work? No, we are not. Can we travel into the United States to participate in major contracts? No, we cannot. Yet that is how it is in the European Common Market.

• (1540)

If we compare apple and oranges, which we are doing, and try to say that this is an apple and this is an orange and they look alike, it will not work because they do not. The European experience has clearly demonstrated that it will work. When in the 1970s and 1980s the Prime Minister of the Liberal government of the day was saying: "let us reach out to the European community and become partners with them, let us reach out and work with them", nobody was listening. The Prime Minister of today has the answer: "Let us go down to the States". It is a sellout.

Wages in Mexico are 85 cents an hour. The people of Mexico have to work 56 to 58 hours per week. Some 400,000 people a year in Mexico join the unemployment roles. The president of Mexico said: "If you do not join with us we are going to release all these people to come up north". Frankly I do not care about his people. I care about my children. I care about the future of Canadian children. Do we need to place our people at the same level as the Mexicans? Do we need to expose our children to the environmental hazards that the children of Mexico are facing?

I want to discuss one particular item. In Mexico there are containers that contain different liquids and fluids. After they are finished with them at the factory, people take them home and use them as basins for drinking water. They can be hazardous yet the children drink from them. Do we need to lower our standard of living to that if we are to assist Mexico? If we are to become participating partners in trade with Mexico, why do we not give Mexico the opportunity to improve its standard of living? When it is at par with us then we join. I do not mind competing and I am sure no Canadian is afraid of hard work and competition. However, I do not like to engage in a competition with both my hands and feet tied behind my back. That is not fair competition.

I want to close with two thoughts. First, I want to congratulate my colleague from Broadview—Greenwood for giving us the opportunity to discuss small businesses. Second, I see the minister across and I want to say to him that the engine that drives Canada, that drives the Canadian economy, is something called small business.

I have been a small businessman and I know what it is like when the banker calls you and says: "I am calling in your loan". I know what it is like when you have to pay your taxes at the end of the month. I know what it is like in January and February when your sales drop about 20 per cent compared to the other months, and you cannot make ends meet. If we do not reach out to the small businesses, work with them and support them we will not succeed and our bankruptcy rates will increase.

Mr. Maurice Foster (Algoma): Mr. Speaker, clearly this debate today is one of the most important because of the importance of the small business sector of our economy in providing jobs. It has emerged as the key employer during the past several years of the recession.

I am pleased that the Minister of State for Small Businesses and Tourism is here in the House today. He has had a special responsibility during the last year and a half in my constituency as the minister designated by the Deputy Prime Minister to assist in the massive transition taking place in the community of Elliot Lake, Ontario.

They are expecting over the next three or four years to lose all the mining jobs, which 18 months ago totalled 4,000. There have been lay-offs involving 2,400. There will be another 1,000 next spring and another 600 in 1996.

The Minister of State for Small Businesses has been extremely helpful and of much assistance in his concern for that community, especially in matters relating to the proposed community college for northern Ontario francophones. He has come on side and has been very supportive of the community. We are very appreciative of that. I believe that the Small Business Incentive Program under FEDNOR has been very beneficial.

I want to mention simply that I think FEDNOR is our major instrument for northern Ontario regional development. I believe that when restructuring that organization next year the minister should be given more powers. He should have the powers to move, to restructure our industry.

We have a pulp and paper industry which is in very serious difficulty. Whether it is this minister or the future minister, he really needs to have the department behind him. He has to have the support of the Government of Canada for the restructuring of that industry, just as in 1982 and 1983.

Similarly I believe he needs to have powers with regard to making federal-provincial agreements for tourism and other sectors. I hope as the minister moves to reorganize FEDNOR to meet the challenges of the 1990s he will accept some of the recommendations which have been coming forward from members throughout northern Ontario on both sides of the aisle.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, the member has caucus meetings as we do in the Conservative Party. Without telling me any secrets from the deliberations of his caucus, could he tell what would happen if the Liberals were forming the government today? I hope no Liberal government will ever form the government. We know what the Liberal government did when it was in power.

The question I would ask the member is whether he will back any suggestion by his colleagues to tear up the free trade agreement. Yes or no.

Mr. Karygiannis: Mr. Speaker, we have caucus meetings and we discuss things. We do not say my way or no way like they do in their caucus meetings. They go there, stand up and salute. In our caucus meetings we discuss and listen to each other.

The question that was put was: Will we look at the free trade agreements? Do we need to participate in free trade with Mexico?

We know very well, first hand, what free trade with the United States did. We know very well, first hand, what free trade with Mexico will do. Do we need to participate? Do we need to look at it? We do not want any part of it. We do not even want to see it.

As far as the existing agreement is concerned, my constituents in Scarborough—Agincourt are telling me: "Tear it up".

Mr. John Harvard (Winnipeg St. James): Madam Speaker, I want to thank the Chair for accommodating so many speakers in this very important debate this afternoon.

I also want to offer my congratulations to my colleague from Broadview—Greenwood. His commitment to small business is unrivalled. He has worked tenaciously on this issue and has brought it to the floor today. I congratulate him for that. We are all beneficiaries of his outstanding efforts.

Small business is a mighty force in our economy. It is all around us, it is pervasive and extremely important. We have heard that so many times today. I was thinking that you do not need a lot of data and a lot of statistics to get some sense of the presence of small business. I was thinking of the small businesses just around my riding office on Portage Avenue in Winnipeg. Just in the block where my office is located there is a dry cleaning shop, a funeral home, a couple of restaurants, a grocery store, a printing shop, a dress shop, a travel agency, a florist and a lock service, a company that replaces and repairs locks which you find on your doors. It gives you a sense of how important small business is in our lives. I give my full support to this motion prepared by my colleague from Broadview—Greenwood, a motion which calls on the government to take immediate steps to reduce interest rates, to lower the level of the Canadian dollar, to reduce the paper burden on small businesses and make available more funding and loan guarantees for early stage companies.

• (1550)

I think that is a very appropriate and timely motion.

Madam Speaker, I want to give you some sense, a profile, of small business in my home province of Manitoba. In 1988, the last year for which we have figures, there were 36,171 firms with paid employees in my province. Ninety-two per cent of those firms were small businesses with 50 employees or less. Small firms accounted for one-third of the employees of those 36,000 companies.

Madam Speaker, I want to give you another figure which underlines the importance of small business in this country and especially in my province of Manitoba. In the 10-year period ending 1988, 60,000 new private sector jobs were created, 84 per cent of which were created by small businesses with 50 employees or less.

Not only that, 57 per cent of those 60,000 new jobs were created by companies with five employees or less. It gives you some idea of how important small business is in my province.

Measure that against the performance of big corporations. Big firms in my province with 500 or more workers actually had a net loss of 400 jobs in that very same period, that 10-year period ending in 1988.

Small business is very important and it will measure up against any business in this country. In fact, I am glad that the minister responsible for small business pointed that out earlier today in his speech.

The reason we are having this debate today is because small business is hurting. It is bleeding and it needs our attention. It especially needs the attention of this government. Small business is battered by high taxes, high interest rates and the high dollar.

Let us take high taxes, for example. The GST has created an additional burden on small business. It came at a terrible time when the economy was in recession and remains in recession. It has created a lot of chaos for small business and it has especially created a lot of paperwork.

Let me talk about paperwork for a moment. I have a figure here which I came across the other day which astounds me. I think this comes from the CFIB, the Canadian Federation of Independent Business. It says that small firms have to spend up to 15 times the effort on government regulations compared to their larger business counterparts. That is a terrible burden to put on small business.

I said earlier that small businesses were being battered by high interest rates. I am disappointed in the government spokesman when it comes to the matter of high interest rates because the government seems to be preoccupied with interest rates that were in place 10 years ago, 11 years ago.

There was a terrible problem with high interest rates 10 years ago. Nobody denies that. The government of today must face its responsibilities which are those high interest rates of the moment, not 10 years ago. I wish it would forget about its preoccupation with high interest

rates of 10 years ago. That will not solve today's problems.

The high dollar is worrisome. It is a serious problem because it makes it so much more difficult for our businesses to export, particularly to the United States.

There was an analysis done by the Canadian Federation of Independent Business as it relates to Manitoba. It is an analysis that I want to read into the record. It goes just like this:

> Our analysis clearly shows that the tax structure in Manitoba is unfair for small businesses. Although the total tax burden is similar for small and large firms, small firms pay a higher proportion of taxes unrelated to profits—a circumstance that greatly restricts their room to manoeuvre. Tax structures are designed for large firms even though 98 per cent of firms in Canada have less than 50 employees. As a major source of industrial innovation, economic development, and job creation, Manitoba small businesses play a key role in the economy. They account for over three-quarters of the net new jobs created in this province and are the life-blood of many communities.

I wanted to read that analysis into the record because it tells us something about the situation faced by small business in the province of Manitoba.

The other matter I wanted to mention is attributed to a survey done by the Canadian Federation of Independent Business. It was a survey that was done a number of months ago. This is troublesome and worrisome because it indicated that the business community, particularly the small business community, lacked confidence in the future. They are pessimistic. They worry about this government's policies, and they are concerned mainly because of some of the things that I have already mentioned, high interest rates, high dollar, the GST, for example. They are concerned about those matters.

Let me mention one thing about the GST and how perhaps the government can do a better job in how this tax is administered. There is an airline company located in my riding. It had an airplane engine waiting for it at the border just south of Winnipeg. The GST on that airplane engine was $25,000. That is a lot of money to a small business.

At the very time that Revenue Canada, or its excise department, was asking for $25,000 on this airplane engine, this small company located in my riding already had a $60,000 credit on its account with Revenue Canada. So they called Revenue Canada and said: "You want $25,000 on this airplane engine but you already, in effect, owe us $60,000. How would you like to just sort of juggle the books or juggle the figures so that we do not have to pay the $25,000. After all, you owe us $60,000". They would not do it. I think that is something Revenue Canada could address because it would make it easier for small business.

Again, I want to congratulate my colleague from Broadview—Greenwood. I think this is a very important motion. It is something all of us should support because business is vital to the economy of Canada.

• (1600)

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I would like to start by congratulating the member for Broadview—Greenwood on a job very well done. He certainly had the interest of small business in his mind when he introduced this motion.

There is one segment I would like to bring to the attention of my colleague from Winnipeg. It is the question of outreach, the training and retraining when it comes to small business.

In my riding, for example, many businessmen and women in a large number of small businesses and the service sector, whether they are restaurants or retail industries and so on, would love to get their hands on some sort of a retraining program where they could have access to some training courses or training facilities.

I would like to have my colleague comment on the question of training when it comes to small business. In his view, would this not be a good thing for the government to look at in conjunction with the provincial government, some outreach programs that help small business to get training?

Madam Deputy Speaker: Thirty seconds for the hon. member for Winnipeg St. James.

Mr. Harvard: Madam Speaker, I will recognize the time limit.

Yes, I think it is a very good idea put forward by my colleague from Ottawa. I have heard that from small business, that it wants help with respect to training its workers, particularly at a time when the federal government is cutting back on job training and many of the school divisions in our province are also cutting back. It is troublesome.

What the government can do in that regard would be very helpful.

Madam Deputy Speaker: It being four o'clock p.m., it is my duty to inform the House that, pursuant to Standing Order 81(17), proceedings on the motion have expired.

[*Translation*]

Pursuant to Standing Order 30(7), the House will now consider Private Members' Business in the order listed in today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

TRANSPORT

PORT OF HALIFAX

Ms. Mary Clancy (Halifax) moved:

That, in the opinion of this House, the government should enter into an agreement with the government of Nova Scotia, targeting federal and provincial moneys for the subsidization of CN freight rates in order to allow freight transportation rates in the port of Halifax to compete with those in the port of Montreal and maintain valuable traffic in the port of Halifax.

She said: Madam Speaker, before I begin my statement, I just want to say that, in anticipation, my hon. friend for the riding of Glengarry—Prescott—Russell, who will be the second speaker from my party in this, will be bringing a friendly amendment to delete the words "with those in the port of Montreal". I say this so we will know that from the beginning. It was a misprint.

Mr. Speaker—Oh, Madam Speaker. I apologize. *Je suis désolée.*

Madam Deputy Speaker: I must say to the hon. member that I do not take it as a sexist remark. Ever since the day when the hon. member for Don Valley West, who was then in the chair, was called Madam Speaker, I have not taken offence.

The hon. member for Halifax.

Ms. Clancy: *Absolument*, Madam Speaker.

In the summer of 1749, Edward Cornwallis led a tiny flotilla of wooden ships into a sheltered bay on the east coast of North America. Cornwallis and his men were awe struck at the depth and width of the finely sheltered harbour, the thickly wooded shore and an inner basin completely protected from the wild north Atlantic.

It is written that the harbour was so abundant with fish that a bucket could be lowered into the water and returned brimming with cod, mackerel and herring.

Cornwallis wrote in his log that all the officers and men agree that the harbour is the finest they have ever seen.

For the last two centuries, the fortunes of the city that Cornwallis founded, Halifax, have ebbed and flowed with the tides of history. Possessing the finest deep water harbour in North America, Haligonians have been secure in the knowledge that as their port prospered so would they.

After two world wars, and the most devastating man-made explosion before Hiroshima, we have survived. In 1991, however, that heritage is threatened. Our port is ill and it may be terminally ill. It is ill because of the lethargy of this government and the near-sightedness of this government. The harbour is emptying of ships, the piers and jetties are vacant, the cranes lie dormant. Recently the ports two largest customers, Hapag-Lloyd and ACL announced that they would be moving most of their business to a rival port. In economic terms the cost is $20 million. In human terms, 90 stevedores will lose their jobs. Soon Evergreen container lines will leave, along with the ships of the K-Line.

Why? A combination of exorbitant rail rates by the CN monopoly, an oppressive tax structure, an unfair subsidization of rival ports have created an atmosphere hostile to the port of Halifax. One example is CN's refusal to initiate double-stack rail service between Montreal and Halifax as competitors had in other areas until only three weeks ago when CN through the financial contribution of the provincial government of Nova Scotia finally signed a deal. It was the provincial government that made the step, not the federal government.

The port of Halifax currently employs 6,000 people directly or indirectly. That employment is at the centre of the economic community that is Halifax. The city and indeed the entire region revolves around the goods and services that enter or exit through our port and 6,000 direct jobs.

Further, the activity that surrounds the port is $315 million in personal income, $356 million in revenues and $87 million in direct taxation to this government. Consequently, by pointedly ignoring the port the government does itself damage.

Last year, 2,084 vessels entered the port, 791 carrying containers. Statistics indicate that Halifax is chief among Canadian ports in moving Canadian containers.

What about the other myriad of cargo bound for international destinations? That cargo is being shipped through ports that are being supported by governments that have their eye on the 21st century and the best example I can offer is the port of New York which receives tremendous support from the federal government of the United States.

Then we have the condition of the railways. Any discussion of the port depends on the condition of the infrastructure surrounding it. The infrastructure in Halifax is crumbling because CN has allowed the transportation world to pass them buy. One industry expert recently stated that the ships were not leaving because of the port itself but because of the railway.

U.S. railways pay 8 cents per litre in fuel taxes. By comparison CN Rail pays 9.1 cents per litre. Why? Because this government refuses to follow the lead of the provincial government in Nova Scotia and give the railway a tax break.

Canadian railways currently pay 11 times the amount of fuel taxes that their U.S. competitors do. Further, Canadian railways carry the burden of sales tax that is 4.8 per cent higher than U.S. railways. On domestic goods the disadvantage is at 11.8 per cent on all movement of goods.

CN Rail is at a further disadvantage in terms of depreciation rates in the U.S. A railway in the United States can write off any rail related asset within seven years. In Canada after seven years a railway such as CN will only be able to write off 38 per cent of a railway car, 49 per cent of a locomotive and 23 per cent of a track investment. Therefore, in the United States a railway such as the Delaware and Hudson—the infamous D&H belonging largely to Canadian Pacific, Canadian Pacific which does get federal government help—rolls 90 per cent of its freight over 50 per cent of its track, while CN rolls 90 per cent of its freight over one-third of its track. The result of this policy is that CN Rail has a lot of unused track lying around which it cannot afford to keep up.

What Halifax really needs is quite simply a well integrated route transportation system. Why then was it left solely to the province of Nova Scotia to institute double-stack rail systems? Why must the premier of Nova Scotia go hat in hand to Evergreen, an Italian container line, to beg them to stay with the port of Halifax?

This government has stacked the deck against us in Nova Scotia, even against a government its own stripe, even against its own colleagues. The tax burden, among other things, must be lifted immediately. For example, total sales tax paid by CN in 1989 was nearly $92 million, $55 million of which was paid federally and would not have been levied in the United States. When we are in competition directly with the port of New York, this means a great deal and the great deal it means is hurtful to the port of Halifax.

• (1610)

A recent report, the Brooks Report by the Centre for International Business Studies at Dalhousie University cited inequalities in industrial support for ports, operating differences and fiscal policies of this government as the root cause of the decline of the port of Halifax, not over-capacity on the north Atlantic as we have heard over and over again *ad nauseam*.

The report was also unequivocal in its praise of Halifax as a competitor. The port of Halifax boasts the lowest price per TEU slot, TEU being the technical name for a container, the best number of moves per gang hour, second best in the highest number of TEUs moved, and the best pilotage charges.

It is not as though the port was asking the government for an unfair subsidy. Rather we wish to level the field between ourselves and our competitors. I spoke twice before today about our competition with the port of New York. Let me emphasize the kind of subsidy that the port of New York gets. Just in the past two years, the port of New York received $350 million from the government of the United States to upgrade its facilities. At the same time New York harbour, which needs to be dredged, which Halifax harbour does not, receives free dredging on an annual basis from the American corps of engineers. We have not even been able to find out how much money this means in lieu of grant.

Halifax on the other hand does not get a dime from this government that preaches competitiveness. That is what we want. We want the opportunity to be competitive.

If Halifax could be on an equal footing with New York, we know we could show how our port is superior to that port and how we could move the goods better and faster.

On May 29 I rose in this House to ask the government if it would recommit programs to the port and at least to recognize that the situation was critical. At that time the focus of the discussion was this government's termination of the At and East rail subsidy. I asked this government, if every region of Canada is important will the Minister of Transport explain why the government has failed to intervene and failed to undertake the necessary assistance to create a truly level playing field for the port of Halifax.

Again on September 19 I rose in the House to ask the government why it would not release a Ports Canada study concerning the competitiveness of the port of Halifax. We wanted to know what the bad news was, and we still do. We still have not been told.

The Prime Minister stood up and told me that he had had meaningful discussions with the premier, but again no details.

On September 25 again a question, and again I was told that I would hear something very soon.

Madam Speaker, very soon has come and gone. The people of Halifax, the people of Nova Scotia, the people of an entire region cannot afford to wait. We need answers. We need programs, and we need them now.

I propose that this government treat the port of Halifax with the same attitude that every other seafaring nation treats its most valuable asset, with understanding and a healthy proactive attitude. Give us a chance to compete. That is all we ask for, that chance.

We believe that we have the best natural harbour in the world—and it is not just that we believe it, it is a fact. Others state it. Internationally it is recognized as the best natural harbour in the world, and we want the government to let us prove it.

The National Transportation Act must be amended to allow CN Rail to depreciate its obsolete equipment. That would be one major step in the right direction.

The federal government should follow the province of Nova Scotia in alleviating the fuel excise tax on transportation of goods from Halifax to Montreal. Canadian railways are taxed, as I said before, at a rate 11 times higher than the American competitors and I add again that the main American rail competitor that hurts Halifax is D&H and it is owned—how many times have I said it, how many times will I say it—by Canadian Pacific which receives a great deal of help from this federal government. If we are going to compete, then this must not be allowed to continue.

Section 157 of the National Transportation Act must be amended to allow the railway to depreciate their equipment within seven years. Statistics show that CN Rail currently moves almost all of its freight over only a small percentage of its track. Such an amendment will allow CN Rail to spend more money on the lowering of rail rates and instituting new procedures such as providing intermodal facilities.

The federal government must allow entities such as Ports Canada to become the master of the land they operate. In the United States, an organization such as the Port Authority of New York can charge tolls from the bridges and tunnels that surround it. The money is then poured back into the operation in order to lower costs to customers. Ports in Canada have to be in charge of their own destinies.

There is another cancellation that concerns us and that is the cancellation of the At and East subsidy. I have spoken on that more times than I or I am sure the hon. parliamentary secretary would care to remember. Actually the program was designed to prevent American ports such as New York and Buffalo from walking all over us. It was not just another handout to the Atlantic provinces. The problem is, Madam Speaker, that the American ports are currently walking all over us.

We need the grain that the At and East subsidy brought to Halifax move through our port. The elimination of that section of the Railway Act has already closed the grain elevator at Saint John, it has reduced the grain elevator in Halifax by almost two-thirds of its capacity with a commensurate loss of jobs. How long will the

historic grain elevator at the edge of Halifax harbour remain open? We do not know the answer to that question and we are almost afraid to ask.

Taxes on the operating profits of the railway should be formulated to encourage the upgrading of rolling stock, road beds, terminal facilities and new technology. If the government refuses to put CN on an equal footing with the Americans, then could it not devise some form of tax credit system on the vital export traffic that CN carries? The amount of the credit could be calculated on the percentage of total volume of the import-export traffic.

Madam Speaker, most important is that all the concerned interests—the federal government, the provincial government, the port of Halifax, the city of Halifax, and the various sectors of the business community—must meet together to formulate an immediate plan of action. It has to be done and it has to be done soon. The economy of one of our oldest and most historic cities depends upon it. The spin-off from this port is of vital importance to an entire province and a great deal of the port economy is vital to an entire region.

Madam Speaker, I have spoken and will continue to speak on this issue as long as I have a voice and a place in this House. I therefore ask that this motion be accepted.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I thank the hon. member for bringing the subject again to the House.

I know that the hon. member has a sincere concern for the port of Halifax. But in the commercial world in which the port of Halifax competes, it is more helpful to convince business to use your services because of your assets than to hold up potential problems at every opportunity. But I am not here to stifle criticism. Every person and every business, every port and, yes, even every government can learn from criticism. They can learn from the voice that presents options, that presents solutions.

Madam Speaker, I want to set before the House today some of the facts about the port of Halifax and about the action taken at all levels to counter some of the threats facing the port today.

After the recession in 1981-82, containerized traffic through Halifax was 183,000, 20-foot equivalent units. Through solid management, marketing efforts and a stable partnership with our railways, the traffic at the port of Halifax grew at a faster rate than the economy. In 1990, traffic reached a level of 447,000, 22-foot equivalent units, or two and a half times the level of 1983.

The fact that the traffic more than doubled in six or seven years is worth mentioning and is to the credit of the port of Halifax and to its workers.

The port of Halifax handles a variety of products.

• (1620)

Container traffic accounted for less than 25 per cent of the port's total tonnage in 1990. Increases in the amounts of roll-on roll-off cargo, miscellaneous general cargo and bulk traffic helped Halifax set record total tonnages for the fifth consecutive year.

The port's cargo handling capabilities continue to be expanded to meet demand, and state of the art container handling equipment has been installed. The port and its terminal operators provide a high level of productivity and fast vessel turnaround times for their customers.

The natural advantages of the port of Halifax, its location, the solid management, the support of railway companies and all the conditions that contributed to the growth of Halifax, continue to exist.

We also have to face the challenges for the future. The world recession has negatively affected many sectors and traffic losses are painful wherever they occur. On the other hand, international trade remains a vital sector for growth of the Canadian economy and traffic on the North Atlantic may soon pick up again.

The development of a strong trading bloc in Europe, and efforts to introduce a greater reliance on market forces in eastern Europe may produce new opportunities for ports such as Halifax. Co-ordination of marketing efforts, maintenance of a partnership with railways and quality of the infrastructure should allow solid performances in the future. Co-operative efforts are particularly important today. Ports do not simply provide the termination of one handling activity and the commencement of another.

Ports today are a key element of an intermodal approach made possible by container technology. Canadian ports face stiff competition from our neighbours to the south.

It is a reality that many Canadian shippers are using American ports for a variety of reasons. For a trading nation such as Canada, this freedom of commerce has always been beneficial since it allows the use of more flexible alternatives and full benefits of advantages of certain routes. Such routing flexibility sometimes presents problems since competition is more acute. This is the case now.

With the recession and development of American land bridges, eastern American ports are facing more competition from west coast ports and, in turn, are trying to maintain their traffic base through competition with Canadian ports.

In order to compete with the U.S. ports, Canadian ports must offer efficient, effective services, particularly on inland movements. In the container world of the 1990s, this invariably means double stack railway cars.

Last month the port and the province of Nova Scotia announced an agreement with CN which would see provincial funding of up to $11.1 million made available for the lease and purchase of double stack rail cars. The plan eventually calls for the implementation of 80 of the so-called "5-packs" to operate in assigned service between Halifax and central Canada.

The operating savings to be derived from the use of these cars should afford rate reductions on the CN rail movement, addressing in this co-operative and positive manner what I know has been a major concern.

While double stack rail cars are not the sole answer to the port of Halifax's container problems, they do represent an opportunity for one of the major intermodal elements to obtain savings in operating costs.

The recent announcement by the Hon. Donald Cameron, premier of Nova Scotia, regarding direct provincial assistance to the port of Halifax is a particularly welcome manifestation of the collaborative spirit that is needed to help this port in its present difficulties.

In addition to the commitment to fund the double stack rail cars, the province has also announced the setting up of a task force under the Hon. Gerald Regan to inquire into ways to assist the competitiveness of the port of Halifax.

I would also like to point out that the province of Nova Scotia has consistently assisted the movement of rail cargo through the province in that it remains the only province which assesses no excise tax on locomotive fuel, an element that has been consistently identified with contributing to the cost burden of the railways in other provinces.

For its part, the port has made several tariff concessions aimed at improving its attractiveness to foreign ocean lines while at the same time remaining competitive with U.S. east coast ports. Among these, the port has capped its berthage charges and offered a wharfage discount incentive on all traffic originating or destined for the U.S.A., a market in which the port is anxious to expand its market share.

At the same time, the port has instituted a maximum limit to the number of times a liner operation must pay harbour dues, a measure certain to be of interest to those lines which call repetitively at the port. Finally, certain other port tariffs have been frozen for two years.

The city of Halifax too has come to the assistance of the port. This year CERES and HALTERM will each have their taxes trimmed significantly. For three more years they will pay taxes of 1.5 per cent to 3 per cent of revenue, based on the volume of traffic. HALTERM president Brian Doherty is quoted as saying that the tax cut and the deal by Canadian National and the provincial government to introduce double stacking rail service, which is estimated to lower rail costs by 20 per cent, should restore competitiveness with New York and her other competitors.

There remains, however, other tax problems. The Halifax-Dartmouth Port Development Commission identified railway fuel taxes as a major problem. U.S. carriers pay a meagre .3 per cent of revenues in fuel taxes, one-eleventh of the level in Canada. The port is also party to an exciting new initiative employing the latest in modern transportation communications technology: electronic data interchange, otherwise known as EDI.

EDI is a computer-to-computer exchange of business documents resulting in lower costs and improvements in efficiency and service for all participants in the transport chain.

EDI Port Atlantic is an organization of port users and service providers committed to the development and promoting of EDI at the port of Halifax. The demonstrated benefits resulting from EDI include: one, the significant reduction of administrative costs by eliminating the need for paper documentation; two, the reduction of errors and duplication of work; three, the provision of more accurate and efficient means to book, track, pay for and clear cargo. EDI also provides for easier instantaneous access to more accurate cargo information, and it reduces delays and speeds up the through movement of cargo.

The port of Halifax EDI project is said to be the most advanced of its kind in Canada and one of the most comprehensive port EDI systems in North America. It is expected to be fully operational by 1992.

What I hope I have made clear here is that it is important that everyone works together in searching for new solutions to our problems. Nobody in Canada is interested in seeing the loss of important jobs, and it is surely possible to work together to develop new approaches that will help find solutions to improved productivity and to remain competitive.

The province and partners such as the Halifax–Dartmouth Port Development Commission are doing this. In a market system this is how the key decisions are made. The government can be a facilitator, but fundamentally the various partners have to get together and it may be possible to develop new alliances for marketing or for services.

It may be necessary to reinforce our alliance with shipping lines serving the port. The current adjustments, decisions and discussions do not yet include any easy or final answers to the challenges facing the port. But certainly it is not subsidies, artificially low rates or a tax against the key partners that will produce a solution.

There are positive signs of an early return to prosperity and the port of Halifax will remain a vital element in the support of Canadian and North American trade.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I am pleased to rise today in support of the motion in the name of the member for Halifax, just as I was pleased to argue for its inclusion as a votable item before the House management committee when we made the last round of selections.

I do so because the member has offered one of the solutions that is necessary to be considered for the survival of not just the port of Halifax, but the port of Vancouver, and in a lot of ways of all of our other ports in this country.

I think we all recognize that there has been a major shift, both bilaterally between Canada and the United States, thanks to deregulation, and internationally because of the growing dominance of the Pacific Rim markets. In fact what has happened is in the United States there is a greater tendency now for the west coast ports to capture much of the traffic and send it to the Pacific Rim, therefore setting up the east coast U.S. ports having to look at Canada as a possible source of new markets. In fact, they have been doing that very effectively with subsidies by states. With the low tax regimes, with the low fuel tax regimes, they are able to out-compete Canadian rail, and therefore Canadian harbours.

One specific example: It costs in terms of fuel taxes alone both federal and provincial $10,000 for a train to go from Toronto to Vancouver. The equivalent distance in the United States is $1,000. I think we have to recognize that situation, just as we have to recognize the depreciation amounts in terms of the capital, as well as other costs are different between Canada and the United States. While we always want to say we have to set our own scenario here in Canada, we have to recognize that a port in Halifax that is competing with a port in New York, whether it is New York City or New York state, has to compete against that port.

• (1630)

They, as a company—if you like to call the port a company—can only do so much to reduce their costs whether it is through efficiencies, volume, changes in labour relations or any of the other variables that are available to them until it is necessary for the governments involved provincially and federally to assist them.

The members opposite would like to refer to any kind of public assistance as a subsidy. I like to think of it as an investment.

If we look at the investment provided to Atlantic Canada by the At and East rates up until the time this government eliminated them, we would see that the treasury of Canada and the treasury of Nova Scotia got much more money back because of the literally thou-

sands of people who had employment because of that investment.

As the member for Halifax just described it, one elevator has been closed completely. Another one is downscaled considerably, throwing many, many people directly and indirectly out of work.

If I look at the motion before us calling for a federal–provincial program to subsidize the CN freight rates, I see that as an investment in stability. I see it as an investment in the long-term future of the port of Halifax and also in the long-term future of CN Rail between Montreal and the port of Halifax.

Madam Speaker, I do not think I need to remind you and I certainly do not need to remind those people who have knowledge about transportation that there is a real danger. If we do not find a solution, whether it is this one or others, we may not have rail transportation, freight transportation between Montreal and the port of Halifax.

We are already seeing the line up to Cape Breton being sold or at least a desire to be sold. That was something that I predicted when the Conservative government decided to eliminate passenger services from that line. We said that the next thing will be the elimination of the tracks, and the government through CN is now taking that first step.

That has had an impact on the port of Halifax, on the community of Halifax, the passenger rail reduction because people are no longer going there to do their business, to do their medical. They are staying home.

We have to recognize there is competition, but we have to recognize that we have the ability to provide some solutions. Ensuring low freight rates on the CN line will ensure that the container traffic which right now is railed from Montreal to Halifax will continue, that it will not be diverted either by an American-owned railroad or—dare I say it—by a Canadian-owned railroad from Montreal to somewhere in New York state.

If that does happen, that will also put in jeopardy the domestic container trade that is centred in the Halifax service area within Atlantic Canada. If the major container ships are no longer calling at Halifax or if they are only calling to do a bit of a top-up, they are probably not going to call that often.

This means that the domestic industry, the little bit that exists in Atlantic Canada, will also be in jeopardy. What does it mean for the Canadian economy if we allow this diversion to occur? It affects our balance of payments, it affects taxation and it affects employment because all those benefits are found south of the border.

It also affects our ability to have a secure source of supply from east to west where we have control as opposed to having to rely on the whims of either the United States government or the port in the United States or the railroad in the United States. What happens if that container ship is first filled up with American cargo and there are American preference laws that we have to deal with? That means our containers of Canadian products will be left sitting on the docks in New York waiting for another ship. We lose our ability to market effectively because we cannot guarantee when those products will reach their destination.

I would urge the House to support this motion, the concept of which is to find a solution to a very real crisis. It is not a new crisis because in June 1990 the Standing Committee on Transport heard from the Halifax–Dartmouth Port Development Commission about the danger. Then, in December 1990, that same commission submitted a brief to the Minister of Finance, I assume as part of the pre-budget work, stating its case in a very effective and detailed manner. But there has been no action.

The provincial assistance does not include federal money. There has been no assistance to do the double stacking. There has been no indication that the government is looking at the federal fuel tax rates, no indication that it is trying to encourage other provinces to reduce fuel taxes on rail.

This government has failed, even though publicly and privately the people of Halifax have made their case through the development commission. It is time this Houses seizes this issue and accepts the motion of the member for Halifax to send a signal to the government that it is time for action to ensure the long-term survival of the port of Halifax.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am pleased to take part in this debate this afternoon. You no doubt know that my colleague, the hon. member for Halifax, has been working for a

long time to improve the lot of her constituents who work in the Port of Halifax. And of course, my colleague from Dartmouth has also raised this issue in the House many times.

Voters in both these ridings and in many other regions are concerned about the future of this port.

[*English*]

It is not only in Halifax where people are worried about conditions. It is indeed the same, although perhaps not as severe, for other ports as well.

I do not want to take up much of the time of the House this afternoon. I however want to make a minor amendment, I will call it a friendly amendment, to the bill. Its purpose is to remove some of the words from the bill.

My colleague from Halifax initially raised this in her remarks earlier today. The amendment, which I will propose in a few minutes, will essentially remove the reference to the port of Montreal from the bill. Obviously the greatest threat at the present time for the port of Halifax is the port of New York and other ports along the Atlantic seaboard. More and more it is becoming obvious that the threat to that port is on the American side. That same threat is going to threaten other ports unless we are vigilant in our efforts to save the port of Halifax. It will eventually threaten other ports. Indeed the port of Montreal is not immune to competition from those ports south of the border. I know that some of our colleagues across the way like to talk a lot about competition. I see my good friend from Duvernay and he is a big fan of competition. I know because we sometimes tease each other about such issues.

• (1640)

Mr. Della Noce: I prefer competition not coalition.

Mr. Boudria: Competition not coalition he says. A good expression indeed. But the competition in transport and transport infrastructure is a rather difficult expression in any case, because the terms are used in various ways depending on who is speaking them. Of course when one talks about transportation and artificial rates of anything, I always return to the Canadian Western Grain Transportation Act and how it is an alleged subsidy to transport grain, or at least the Americans say it is. When we tell them: "Well don't you dredge the Mississippi River to carry goods down that river," they say: "Oh no, that is not the same, that is for national defence."

I cannot help but grin every time I hear them say that because, of course, it is used for transportation of commercial goods just as our rail lines are used for transportation of commercial goods. Indeed, south of the border, the massive construction some years ago of the interstate transportation system for motor vehicles was totally subsidized. Roads are government owned as they should be.

Nevertheless all subsidies in the area of transportation are a controversial subject and one which is difficult to evaluate at any time. The fact remains that jurisdictions on both sides of the border must maintain their transportation infrastructure in order to ensure the security of their respective nations and in order to be able to transport, quickly and efficiently, goods to markets and to protect the jobs of their citizens.

Madam Speaker, I move:

That the motion be amended by deleting the following words:

—with those in the port of Montreal—

Madam Deputy Speaker: I will, for the moment, take the amendment under advisement and we will resume debate.

[*Translation*]

Mr. Della Noce: Madam Speaker, I think everything has been said. If everyone agrees, I am prepared to skip my turn.

Madam Deputy Speaker: I will ask the House to give me a few moments to consider this amendment.

The amendment moved by the hon. member seems in good order. Since no other members are rising in debate, I will first put the question on the amendment. Is it the pleasure of the House to adopt this amendment?

Some hon. members: Agreed.

Amendment agreed to.

Madam Deputy Speaker: The question is now on the main motion, as amended.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the nays have it. I declare the motion lost, on division.

Motion negatived.

Madam Deputy Speaker: There will be no objection to my calling it five o'clock.

It being 5 p.m, pursuant to Standing Order 29(2), this House stands adjourned until Monday, October 21, 1991, at 11 a.m, pursuant to Standing Order 24(1).

The House adjourned at 4.43 p.m.

HOUSE OF COMMONS

Monday, October 21, 1991

The House met at 11 a.m.

Prayers

[*Translation*]

HOUSE OF COMMONS

MEMBER FOR EDMONTON NORTH

Mr. Speaker: I would like to take a moment to make a brief statement.

[*English*]

I am sure that all hon. members would join with me in welcoming back our colleague who has successfully gone through the rigours of some medical infirmities. I think you can see that the hon. member for Edmonton North is back with us in full vigour again.

I want to say to our colleague that we are very, very pleased to see him back with us. We are so very pleased that he is back in good health.

Some hon. members: Hear, hear.

• (1110)

The Acting Speaker (Mr. Paproski): I wish to thank all those members who wrote such wonderful letters, particularly the Speaker, and for all the wonderful fruit I received at the Royal Ottawa Rehab. Every one of you who did all those wonderful little things for me, when I get a chance to have Question Period I will see that you are recognized, at least for a supplementary. Thank you, Mr. Speaker.

Pursuant to Standing Order 36, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

ABORIGINAL LANGUAGES FOUNDATION ACT

MEASURE TO ENACT

Ms. Ethel Blondin (Western Arctic) moved that Bill C-282, an act to establish the Aboriginal Languages Foundation be now read a second time and referred to Legislative Committee A.

She said: Mr. Speaker, I am very proud to rise today in the House to speak to my private member's bill which is basically the result of all the work done by First Nations' educators and language specialists.

Before I proceed I would like to share with the members of this House, as well as the Canadian public, the true essence of what aboriginal people are all about in an educational, social and cultural sense; that is, the gift of language we were given by our ancestors from generation to generation, indeed for hundreds and even thousands of years since these are oral traditions.

[*Editor's Note: Member spoke in Dene-North Slavey.*]

Mr. Speaker, I just gave a brief introduction about aboriginal languages in one of the aboriginal languages. It is an Athabascan language. It is the Slavey language and it is North Slavey because I am of the North Slavey tribe, if you will.

I indicated to the people across this country that in Canada we have 53 aboriginal languages. The Dene language is one of those. Basically, many of those 53 languages were oral traditions, they were not written. How is it that today, in this institution, a European based institution, you can have a politician who still speaks this language, who can get up within the system of government and speak this language, in 1991?

I said it is a gift from one generation to the other. I learned my language from my elders. I indicated to the people across Canada that we have much to be grateful for, because our ancestors who came before us built this country. When my ancestors were building my part of the country and Canada as a whole, they did it speaking their own languages and living their own ways.

We are not who we are without our languages and our culture. When we talk about the inherent right to self-government and about building a government for ourselves, not to be contrary but to do something for ourselves that no one else has been able to do, the rudiments of that has to be our languages and our culture. That is the way it has to be.

We are not doing this to confront people. We are doing it to help ourselves and to establish something we are proud of and have been proud of for years. That is why I indicated to my people that for generations to come this gift of language has to be given to our children and our children's children. When you think about all of the things we have to consider that challenge us, like mass media, we have a lot of uphill climbing to do to save our languages.

We need help from everyone in Canada. Basically what I said was that we should be proud of our languages and proud of who we are. We should be grateful to our ancestors for having given us this gift. I most certainly am, Mr. Speaker. I think I am a better person and I am more myself. I am proud of who I am and proud to speak out as an individual because I have the gift of language. I have the gift of knowing who I am. Before I can go anywhere else and assimilate myself into some one else's culture, I know who I am. There is a tremendous amount of strength in that. That is what my people need.

My people need to rebuild their communities, their families, their identity, their culture, and if they already have that, then we need to share that. Canada, I say to you, you have to look at the context within which Canadian history has been written. You have to understand that we have to de-mythicize the idea that this is just a linguistically dual country. That is not so. Officially, because of the laws of the white man that may be so and we respect that because that is your way. However, I can tell you that the mythology has to end. In the greatest document of this country and the supreme law of this country, aboriginal people say: You have to recognize and entrench the cultural and linguistic rights of aboriginal people.

This is not saying we do not agree with the laws that exist. This is saying it is an act of respect and dignity, an act to recognize that the aboriginal people, the first people of this country are equal and have an inherent right to speak their languages and to protect them and to preserve them.

• (1120)

Hence, for years before I was a politician I was involved at the grass roots in the struggle to save our aboriginal languages. In the area of teaching, when I went as a young person to Fort Franklin all the curriculum and all the material for basically unilingual aboriginal students were in a foreign culture and foreign language. I took the initiative as a young person to let those people know that their cultures, their genealogies, their histories, were important by incorporating those myself into the curriculum.

Years later I taught non-aboriginal people aboriginal languages during the evening because I think it is important that the rest of Canada recognizes and is proud of the fact that we have a country in which we are not just linguistically dual but multilingual and that we are not afraid to be competitive as many of the European countries are.

We are stuck on the whole issue of bilingualism when other competitive countries speak basically two, three or maybe four languages, and many people who are experts in the field of interpretation speak up to six or eight languages. There is no debate about that.

Basically the point of this bill is to say to Canada: "Be proud of your First Nations citizens. Be proud of your languages and recognize that if we are to take a step forward toward a renewed Canada we have to recognize the 53 aboriginal languages". We have a lot to be proud of, but we have a lot to be concerned about.

This bill is a small step in a thousand steps in a long march to some kind of victory for linguistic justice for aboriginal people. When we think about this bill, an act to establish an aboriginal languages foundation, it has some history. It was the First Nations that proposed over the years—and I worked on a policy committee with them in 1986 before I was elected—to establish an aboriginal language policy. I have some feeling for it, but I also have some understanding of the expertise of the people who forged this particular policy.

This bill has tremendous support. I want to give members of this House some information about the purpose of this private member's bill. Its purpose is to establish a foundation to facilitate the acquisition, the retention and the use of aboriginal languages that contribute to Canada's aboriginal heritage by promoting the learning of aboriginal languages and their benefit to aboriginal people and the rest of Canadians and by developing programs to improve the quality of aboriginal language instruction. Many times I have heard non-aboriginal people say that they would really like to learn an aboriginal language but that the programs were not available.

The foundation would assist in the production and dissemination of Canadian oriented materials related to the study of aboriginal languages. We are very scarce on resources in this area. It is very difficult for aboriginal people to teach their children the cultural relevance of their societies in terms of schooling—and the amount of time spent in school is a major part of any child's day—because we are still lacking resource material.

There are many things happening across this country, and I have been to different parts of this country. The area I come from, the Northwest Territories, has schools that are developing material and a language program within the education system. As well the department of culture and communications is producing materials. It has just produced a huge Slavey dictionary. A gift I was so proud to receive was a Mohawk dictionary from Mr. Ralph Brant, regional director from the Atlantic who is a Mohawk himself.

It is astounding to know the number of words and the things they mean. If we want to relate that similarly to the Dene Slavey dictionary, it is not a one-year project. This is a project that has gone one for years and years.

There is the whole issue of curriculum material. In many of the areas in Saskatchewan there are people who are working on similar projects. In B.C. the Yinka-Dene Language Institute just hosted a huge conference last month which had 1,500 people registered. The delegates there supported the idea of this aboriginal language foundation.

The chief said that the language is the heart and the minds of our people. I think many of the elders feel that way about our languages. There are few things that can be taken away from aboriginal persons that will leave them empty and void.

If I might, I would just like to read a bit from the report of the standing committee on aboriginal literacy and empowerment. We used an appropriate title: *You took my talk*. In it we have what is called the song of the Eskasoni, a poem by Rita Joe entitled *I lost my talk* and I quote:

I lost my talk
The talk you took away,
When I was a little girl
at Shubenacadie School.
You snatched it away.
I speak like you
I think like you
I create like you
The scrambled ballad about my word.
Two ways I talk
Both ways I say
Your way is more powerful.
So, gently I offer my hand and ask,
Let me find my talk
So I can teach you about me.

There are many other things this aboriginal language foundation will do.

It will assist in the development of standards for the learning of aboriginal languages. It will conduct research into all aspects of aboriginal language. It will establish links between the foundations, universities, colleges and persons interested in the work of the foundation. It will ensure the perpetuation, revitalization, growth and protection of aboriginal languages. It will respond to the needs of each community which is in the best position for determining what is needed to ensure the survival and functional use of its languages. It will provide the funding required to enable communities to develop and control the process and activities needed to promote their languages and will undertake any other activities in furtherance of its purpose.

When one has spoken to aboriginal peoples, especially elders, one will know that they come from oral traditions. We learn our languages not from sitting down and writing about them as subjects, but from human experience.

When I was growing up in the bush, on the land with my parents and my grandmother who was a story teller, my grandmother who was the medicine woman, a healer a traditionalist and a spiritualist, we were taught the art of our language basically through her story telling skills.

You will note that we have problems reading speeches because we were taught by speech much in the way that our great story tellers told stories. Many times it is very difficult for us to come into formal sessions and relate specifically to an issue and to get to the bottom line when we relate human experiences to our languages. The derivatives of our words, how our words are made, how are names are given, are very specific to what we experience.

Let me give a couple of examples. For years I grew up with children, adults and elders whom I only knew by their Indian names. Later on in years I learned their Christian names. I went to places like Dehdeljo where I grew up, which I never really thought about as Sucker Creek.

• (1130)

I went to K'etsiniline, which is Birch Lake or Birch Creek—I never really knew it by that name; I still have problems with it—and Tulit'a, which is Fort Norman, where I was born. These are the names that I grew up with. My mentality was within the context of my language. I had much difficulty as a student learning English. I am not doing too badly now. Actually it is coming along. Over the years in university I had a great deal of difficulty making that transference.

The spoken word in my language is everything. The handshake was everything in the treaties. It was an act of dignity and respect that said we have a deal and this is what we agreed to. That is our world view. When we think about our whole language issue we think about the people we revere, our heroes. I think about some of the people from my ancestry whom for years I have heard about. What about a great hunter by the name of Nihtoo? Nihtoo in my language means thunder passed. What greatness is there on the earth and the land, the crispness, the newness, the immensity of this great, powerful, bristling feeling that you feel when you say Nihtoo. That is a name for a man who is a great hunter and a great leader. This is one of the people whom I come from.

What about the baby boy born in the moose-skin boat because his mother was with child and the water was so swift they could not bring him to land? When they arrived at the town the people came from the shore to the boat and brought the baby to land. That is what his name his. His name is Tahti, which means brought to land. There is greatness in that name. There is relevance in that name.

For every society and every culture we have names that mean something to us. There are many more names. There are Cree names, Algonquin names. Today as we sit here the parallel process will be kicked off in Maniwaki. The children and the elders will be able to speak about the importance of their languages and cultures. I think that is appropriate and that is right. I think everyone should have the opportunity to say how important it is that we make an effort to protect the first languages of this country.

I am very proud to have presented this bill. I only wish that this bill could have become a votable motion. I think we should support it becoming a votable bill.

Some hon. members: Hear, hear.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State of Canada and to Minister of Multiculturalism and Citizenship): Mr. Speaker, on behalf of the House I too would like to say welcome back, Sir.

I will start with the official language my hon. colleague spoke.

[*Editor's Note: Member spoke in Dene North-Slavey.*]

We missed you and we love you.

I am pleased to be taking part in debate on the hon. member's bill calling for the establishment of an aboriginal languages foundation. Certainly every member of this House appreciates the necessity of resolving aboriginal issues, and that includes measures to preserve and enrich the aboriginal languages.

When I consider the struggle of Canada's aboriginal people I have nothing but praise for the tremendous job they have done in retaining and promoting their languages. More than at any time in our history Canadians are conscious of the need to address aboriginal concerns including the need to ensure cultural survival through indigenous languages. This concern is much more than a romantic one.

My hon. friend will recall that a year ago when fiscal restraint made cuts in native programs necessary the commitment to aboriginal languages remained. We still have the native social and cultural development program which has a funding base of $1 million. The program gives priority to projects that support the retention of aboriginal languages.

More recently, in August, the Secretary of State signed an $18 million three-year agreement with the Government of the Northwest Territories to assist in preserving and protecting aboriginal languages in the territories.

At the signing the Secretary of State said, and I am quoting him here: "The survival and revitalization of aboriginal languages are integral to aboriginal people's sense of identity and continuation of their cultures. This agreement is an expression of the federal government's commitment to address issues of importance to aboriginal people and the special place they have in contemporary Canadian life".

For aboriginal languages, the agreement will give aboriginal people the kind of support they need to preserve and revive their languages as living, working languages in the home, the school and the community.

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Besides the agreement with the Government of the Northwest Territories, the Department of the Secretary of State has a five-year $4.25 million agreement ending in fiscal year 1992-93 with the Yukon government to ensure the revitalization and growth of eight aboriginal languages.

As well, the department provides support through initiatives of the $11.28 million Northern Native Broadcast Access Program. It serves northern aboriginal communities by producing radio and television programs in indigenous languages.

Speaking about Yukon, my colleague should listen to me because I am sure she is very interested in this issue. I was in Yukon last Saturday, two days ago, launching and promoting a book for the francophones of Yukon who live with all the native people there. This program is totally financed in co-operation with Yukon Territory and the Department of the Secretary of State of Canada.

[*Translation*]

Mr. Speaker, I attended the launch, on Saturday, of this book written by francophones who work with natives in Whitehorse, Yukon. It is entitled *Garden on the Roof* and, in French, *Un jardin sur le toit*. This shows the importance of languages for this government. Mr. Speaker, as we know, 50 per cent of the costs of official languages are met by the federal government. However, I was a pleasantly surprised to learn that in the Yukon it is different: the government share is 80 per cent. This goes to show this government's commitment which, I would say, is exceptional!

Mr. Speaker, this book, *Garden on the Roof*, is about francophones in the Yukon. It was written by René Larouche and Cécile Girard, both of whom care greatly for languages. To preserve the French language in that area is quite a feat! Mr. Speaker, I was amazed by the number of people who speak French in the Yukon. One would say that, in terms of percentage, they beat any city or province outside of Quebec and I would be the first one to bet on it. I encourage everyone to read this great book about the life of White people living with American Indians in the Yukon and the preservation of languages, particularly their native language, which I believe is a priority in this bill today.

[*English*]

This government is sincerely committed to preserving and enriching aboriginal languages. That commitment is very much in line with our commitment to work toward self-government for aboriginal people, a recommendation essential to discussions now taking place across the country on the renewal of the Canadian federation.

There is also the very real task of improving literacy, a most serious undertaking for aboriginal people.

• (1140)

When the level of literacy is low not only aboriginal people suffer personal hardship, but first nations and all Canadians are deprived of their full contribution to the economic and social life of Canada.

The federal government recognized this pressing matter a number of years ago. In the late 1980s when we held consultations in several aboriginal communities we found that no single approach to improving literacy satisfied everyone. Each community had its own needs and recommendations.

One of the results of the nation-wide consultation was the establishment of a National Literacy Secretariat within the Department of Multiculturalism and Citizenship. I think my hon. colleagues will agree that the secretariat does a commendable job to improve the over-all level of literacy for members of the aboriginal community.

To expand on that a bit, the National Literacy Secretariat supported a number of projects directed specifically to the needs of aboriginal people. For example, in Labrador the secretariat assists the Newfoundland Community College in establishing a literacy program for Labrador Inuit. The program gives basic instruction of the Inuktitut language and is a good example of an initiative addressing a local need.

The government has been supportive of other projects as well. They are programs such as the national literacy strategy for Métis and non-status Indians. With support from the Secretary of State, the project was developed by the Métis National Council and the Gabriel Dumont Institute of Native Studies and Applied Research.

As well, the National Literacy Secretariat, the Department of Indian Affairs and Northern Development and the Saskatchewan Indian Institute of Technologies have worked in partnership to develop the national literacy action plan that can be used in Indian communities right across Canada.

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is a pleasure to rise in the short time that I have on this very important private member's bill we are debating in the House today.

Hopefully there may be discussions. As important an issue as this is, I think we should certainly try to make some arrangements to try to extend some debate if we can and allow members to speak to Bill C-282, this private member's bill. It is a very important bill that would help establish an aboriginal languages foundation in Canada.

I want to thank the member for Kamloops, our House leader who has certainly been having discussions on this proposed legislation, and the member for Comox—Alberni, the Indian affairs critic who has spent a considerable amount of time on this particular issue, among others.

We support the bill. It is a very important proposal, one that would help promote and protect aboriginal languages in Canada. It is very important for anyone who represents a constituency riding that has a large number of First Nations people in it, as my own constituency does. We must recognize just how important language is to our native people and for the development of proposals for self-government during the ongoing constitutional discussions.

It is very important because it makes up their history, their role and involvement in their life, and their participation in Canada today.

Consider that in our nation there are some 53 aboriginal languages in Canada, 50 of them endangered and some which are virtually extinct. I could not think of a more important thing for us to do in the whole question of language policy than to do whatever we can to ensure that we try to promote those languages that have formed the history of Indian peoples in Canada and the development of our country.

I would just like to read into the record the comments from the Assembly of First Nations that has obviously made some policy on this matter. I think it is important to put them into the record. I am quoting here from its declaration on aboriginal languages.

> Aboriginal language is an asset to one's own education, formal and informal. Aboriginal language contributes to greater pride in the history and culture of the community, greater involvement and interest of parents in the education of their children and greater respect for elders.
>
> Language is the principal means by which culture is accumulated, shared and transmitted from generation to generation. The key to identity and retention of culture is one's ancestral language.

I congratulate the member for Western Arctic on having worked very hard on this over the past couple of years. She visited Prince George in my riding and spoke to many different groups about this proposal. I know it has a great deal of support out there, as we say, and I hope it has the same degree of support in this House.

It is not asking for a lot. It is the proverbial one step forward, a small step forward, to try to assist with the promotion of aboriginal languages.

The bill will do a number of things including, as I mentioned earlier, the promotion of aboriginal languages and the importance of promoting that same message to all Canadians. Second, the bill will improve the quality of aboriginal language information and material. That is very important because efforts have been made by many groups in my area. I will come to that in a minute, but an example is the Yinka-Dene Language Institute which is based in Vanderhoof in my riding.

Many groups have been struggling as hard as they can to put the promotional and written materials together so that they can promote aboriginal languages. That is often difficult to do, and I certainly would think that a foundation as proposed by this bill would go a long way in assisting with the development of professional standards, of printing standards, and what have you.

It is important as well to ensure that we develop Canadian material on this. It is my understanding that there is considerable work done in the United States and other countries on aboriginal languages. I think we have a great deal more to do already in Canada, and I think this foundation would go some distance in doing it.

I mentioned earlier in my comments that the Yinka-Dene Language Institute in my riding was very relevant to the debate we are having on this bill right now. I mentioned the Yinka-Dene Language Institute which was started up in 1988. My first official duty as a newly elected member of Parliament was to go to Vanderhoof and attend the graduation ceremony of some of the elders who were being taught how to teach their language. It was a wonderful way to start off my term in office as the MP for the area. It is an honour, I think for all of us, when we have an opportunity to meet the elders, in particular, to listen to them and to hear their wise words.

I would go so far as to say: "Let us clear out the other place and put some of the elders in there. We would probably get a lot more help by putting some of the elders in the Senate than we do now from the current pack of people who are in there.

The Yinka-Dene Language Institute, which has gone some distance in preparing the resource materials that are necessary, used modern technology such as laser disks and other high-tech materials to promote and get out the information and language they have.

I should mention as well the very important contributions to the Yinka-Dene Language Institute by the Carrier-Sekani Tribal Council; the college in the area, the College of New Caledonia; various school districts; and the soon to be finished University of British Columbia in Prince George. I think it is very important that aboriginal languages, and the teaching and learning of those languages, will play an important role in the university courses and faculties.

• (1150)

In conclusion I want to say that our party supports this bill. The member for Kamloops has spent some time discussing this matter with the member who has proposed it. I know there have been discussions, and I hope that we can take a look at a couple of steps that might move this bill ahead.

We are certainly prepared to consider unanimous consent to allow this to be a votable bill. Second, I think we should give some opportunity to other members in this House who I know are very anxious to speak on this. We are limited by the rules of the House which we follow, but there are are many members who would like to speak on this matter. They would like to speak about the importance of aboriginal languages not just to Canada but, most important for many of us, what it means to the people in our ridings whom we represent.

I thank the member and congratulate her for the initiative she has taken on this very important bill. I thank all aboriginal groups outside this Chamber that I know have spent considerable time discussing this bill, writing letters and lobbying to try to move the issue forward. I hope government members in particular will hear our speeches today, hear our pleas, and support some initiatives to carry this forward.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I too welcome you back after a month and a half absence due to your operations.

With too many of the 52 languages of the aboriginal peoples of Canada eroded or lost, any serious attempt to reinvigorate their languages must be worth while. I salute the member for Western Arctic on the bill, as I believe most members in the House today do as well.

Linguistic relativity emphasizes the unique role of language in relation to culture. Language is recognized as a means far more than mere communication. It is a vehicle of cultural transmission. For some renowned scholars like Benjamin Whorf language even shapes thought and emotion, determining the perception of reality. Although not identical the concepts of language and culture are inseparable. To put it more plainly, I am told by my colleague that there are numerous official languages in the Northwest Territories. That is why I understand there is excellent language harmony in the north. They can have unilingual MLAs and unilingual jurors. This growing recognition of all languages in the north is working well.

There are nine official languages in the European community. The chief quoted by my colleague has said: "Language is the heart of our culture".

You will recall, Sir, being from Edmonton, that children sent to residential schools returned home often unable to communicate with their parents and grandparents because of the loss of their aboriginal language skills and the almost total disorientation of their cultural value system. The educational system of those days did much more than to exert strong pressure on aboriginal children. Again, Sir, I remind you that our aboriginal peoples came to Canada at least 13,000 years ago. The residential schools fostered an intergenerational culture gap in aboriginal communities. Many young people have suffered from the in between feeling of not being able to fit in either their home communities or communities elsewhere.

Aboriginal peoples resented what was being done to them and tried to resist as best they could the efforts to damage their way of life. They still do and continue to do so, in Ovide Mercredi's words, "to break the psychology of domination from the two founders of the nation".

The cultural resurgence and the defence of territory are but two overt expressions of native self-determination. Other forms of resistance have included economic and political action, the reinterpretation of historical events, the formation of intertribal and interdenominational networks, and so on.

Since 1867 and earlier, aboriginal groups have actively sought recognition of their inherent right to self-government. This right was exercised thousands of years before Europeans arrived on this continent. Many believe it has never been extinguished. Certainly my party does. Claims that political structures were unknown to native people prior to contact with Europeans ignore the fact that most First Nations had complex forms of government that go back centuries. In fact, aboriginal self-government is now supported in principle by most Canadians., happily, who believe that recognizing the role of aboriginal peoples in Confederation is very important for national pride.

Canadians have a chance to demonstrate to the world that the old notions of European dominance are gone. In our country we see federalism as a way of protecting the identity of minorities. Federalism is practised throughout the world in large measure to provide and respect the identity of minority regions and peoples.

The encouragement of cultural development assists in preserving and strengthening aboriginal peoples integrity. A stronger sense of cultural worth would promote aboriginal self-sufficiency as one of the proclaimed goals of our country. Dependency on the other hand tends to alienate aboriginal peoples and all peoples from their traditional identity and prevents the retention of some features of traditional culture. Only with the maintenance of a distinct identity can our aboriginal peoples have the chance, as was indicated earlier by the member for the Western Arctic, of altering the wider conditions of social and economic dependency which so characterized much of their lives now.

To this end it seems to me that the importance of language retention far exceeds the magnitude of retention of other features of traditional culture. Language retention contributes to the maintenance of the boundary between the aboriginal peoples and others. As a mode of communication, it is a system of meaningful signs that represent and influence the concept of the world.

According to one critic, language retention is the cultural characteristic that best reflects current and continued cultural cohesion. It is perhaps the most distinctly ethnic activity.

I am fast running out of time and I do not want, Mr. Speaker, to be talking when this bill stands in danger of being talked out. Let me quote from the Inuit Broadcasting Corporation which asserted: "No single feature of southern culture was as profound in its effects on the Inuit way of life as television. It destroyed old habits and social behaviours. It imported new values and attitudes. It became an alternative way of life, particularly for the young".

There is an urgent need for more not less funding for native aboriginal media and aboriginal languages so that they can continue to reach aboriginal communities to provide material dealing with contemporary issues as well as traditional cultures, particularly so that they can develop children's content.

If no action is taken such as proposed here, linguists and anthropologists will mourn the passing of aboriginal languages and in consequence, aboriginal cultures. It is largely up to the aboriginal peoples themselves to decide whether it is in their interest to allow their languages to fade into disuse or to revive them. If they choose the latter, they will deserve the support of all Canadians.

I would close by again indicating my strongly felt support for the bill now before the House and I hope that as was indicated by a previous member that despite what is presently likely to happen from the government side that this bill in fact will be enacted by this Parliament very soon.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, before I start my speech, perhaps I may say how happy we are that you have recovered and are now back in the chair.

Mr. Speaker, I want to take this opportunity today to speak to Bill C-282, an Act to establish the Aboriginal Languages Foundation.

At the hearings on national unity held by the Spicer Commission, Canadians clearly indicated their desire to see aboriginal issues given priority status.

When the government's constitutional proposals were tabled in September, Prime Minister Mulroney said the following: "Of the various communities whose rights need and deserve protection, the aboriginal peoples of Canada have, in my judgment, a very important claim on our attention".

Similarly, the Minister responsible for Constitutional Affairs told national representatives of the First Nations that constitutional reform would be impossible without a change in status for aboriginal peoples, and that any constitutional accord would require their approval.

• (1200)

In the same vein, the government has proposed the entrenchment of a constitutional process to address aboriginal matters and proposes to include a general justicial right to aboriginal self-government within the Canadian federation.

Mr. Speaker, it is my opinion that considering the impressive contribution of aboriginal culture to the development of Canada, we have a duty to recognize in the Constitution the rights of the first people of this country.

There are 53 aboriginal languages in Canada, most of which are, to varying degrees, threatened with extinction. As a government we have a major role to play in preventing this from happening.

Last year, the Prime Minister announced Canada's commitment on four fronts: speedy settlement of land claims; improving the economic and social situation on the reserves; reform of the Indian Act; and adopting measures to respond to the concerns of aboriginal people in today's society.

Creating a royal commission on aboriginal peoples is probably one of the most promising measures in this respect. The commission will examine a broad range of issues, including economic, social and cultural aspects. In this connection, the subject of aboriginal languages is of course extremely important.

Mr. Speaker, preserving and promoting aboriginal languages is a priority for this government. At a time when we are intent on *Shaping Canada's future together,* we become increasingly aware of the immense contribution made by aboriginal people to the culture of this country through their art, tradition and language.

That is why in August, the Government of Canada signed—

[*English*]

Mr. Boyer: Mr. Speaker, the bill before the House is an important one. There are many parliamentarians wishing to speak on it. I hope, with unanimous consent of the House, we could now extend the hour for Private Members' Business until one o'clock to permit a greater and a fuller debate on this important legislation.

Mr. Riis: Mr. Speaker, I certainly agree that this is a most important matter. Recognizing the nature of the government business for later today is business I believe we can move through expeditiously, we would not be in a sense reducing the government's opportunity to move legislation.

I would like to say yes, Mr. Speaker, the New Democrats would like to see it extended for an hour with the assumption that the usual rotation would occur to enable speakers for the various parties to participate.

Ms. Blondin: Mr. Speaker, I am in full agreement that we should continue the debate. This is a very important, fundamental issue, not just for us as members but for all of this country that is embroiled in many of the controversial issues that hit on languages. I really feel it is important for people in this House who have something to say about this bill, and about languages in any way that they wish to portray those ideas or those concerns they have, to be able to do so within the time that will be allotted by unanimous consent.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to extend the hour until one o'clock?

Some hon. members: Agreed.

Mr. Della Noce: Mr. Speaker, we agree to extend it for one hour, but I must have some guarantee that this bill will not be votable and will not go to committee under the order of 19.96(1).

Ms. Blondin: Mr. Speaker, it would be asking me to breach my ethics as a human being and as a good Canadian citizen to flap my gums for no use in this House on a bill that I think is fundamental to the well-being of 53 aboriginal linguistic groups. It is a heinous thing for this individual across the way to ask us to do. It is an insult to the Canadian public and taxpayers' moneys to waste that kind of time in the House.

The Acting Speaker (Mr. Paproski): I believe that there is not unanimous consent.

Mr. Boyer: Mr. Speaker, on a point of order, I really believe that the House is now considering two matters. We have in fact considered the first of those matters which was to extend by unanimous consent by an hour's time the debate on Bill C-282.

The second matter that has just been raised by the Parliamentary Secretary to the Minister of Indian Affairs is, in his terms, seeking a guarantee that the bill would not be votable. That is a guarantee that no one would give because that is entirely a matter for this Parliament of Canada. If the full hour that we have now agreed should be further allocated for this bill is not consumed by speeches of members, then within that hour the question could be put, the bill could be voted on and referred to committee.

I do not think it is within the capacity of anyone to provide what the member has asked for.

The Acting Speaker (Mr. Paproski): It can be done only by unanimous consent.

[*Translation*]

Mr. Della Noce: Mr. Speaker, I just want to make sure we observe the Standing Orders. If I am not mistaken, according to Standing Order 96(1), if a member speaks for one hour, in other words, if there is unanimous consent to speak for one hour, that's fine, but afterwards, if we want to go on to something else, we again need unanimous consent to be able to change the Standing Orders. Am I correct?

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member is right.

Mr. Kilgour: Mr. Speaker, I used to be parliamentary secretary to the House leader on the government side.

The member cannot ask you to give an interpretation as he is asking. We will deal with the first issue which we have already decided, and if within the hour if there are no more speakers, then something might arise.

Until that occasion arises, it is a hypothetical question. I would submit that we are now into the next hour of debate for all members.

The Acting Speaker (Mr. Paproski): I will ask the House for unanimous consent to debate until one o'clock. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

[*Translation*]

Mr. Tremblay (Lotbinière): Mr. Speaker, I want to thank the hon. member for Etobicoke—Lakeshore for tabling this motion and my colleagues for giving their approval so that I can continue this important debate.

Mr. Speaker, as I was saying, in August the Government of Canada signed an agreement with the Government of the Northwest Territories to ensure the survival and preservation of aboriginal languages in the North. This agreement includes funding totalling $18 million, spread over three years.

The agreement follows another agreement signed six years ago, in April 1985, which included financial assistance totalling $16 million. The first agreement signed with the Northwest Territories in April 1985 produced some very definite and noteworthy results.

A study carried out in November 1990 showed that the various projects initiated as result of this funding had greatly stimulated interest in teaching and learning native aboriginal languages. The process has also promoted research and development in this area and enhanced the availability of services in aboriginal languages.

The study also mentioned that the agreement signed by the government and the Northwest Territories was a factor in the territorial government's decision to grant official status to six aboriginal languages, on the same level as English and French. In April 1990, the territorial government amended its Official Languages Act to include legal protection for aboriginal languages.

This initiative is noteworthy, since it reflects the present government's efforts to preserve aboriginal languages and culture. The government is firmly convinced that the survival of the North's languages is essential for the future quality of life of the Territories and its inhabitants.

A similar agreement was also signed by the Government of Yukon to ensure the survival and development of eight official languages, including six aboriginal languages officially recognized by this territory. Funding totalling $4.25 million will be provided over a period of five years. Mr. Speaker, these agreements reflect the extent of the government's commitment to aboriginal issues. This is not a matter of pretty speeches or empty promises. These are concrete, ambitious projects that have a tangible impact on the lives of aboriginal people.

• (1210)

Native languages are thus valued and therefore more respected. This has the positive effect of encouraging their use at home, in school and in the community.

Furthermore, the Department of the Secretary of State has also given concrete support to the federal government's firm commitment to preserve aboriginal languages by giving priority to language projects as part of the Native Social and Cultural Development Program.

This program, and especially its language preservation component, were evaluated in 1988. Interviews in native communities showed that the projects put forward under this program revived their feeling of belonging and improved the relations of native people with their fellow citizens. The investigation showed that language preservation projects encouraged the development of native culture.

The Department of the Secretary of State provides additional support for initiatives in this field through the Northern Native Broadcast Access Program, which serves native communities in northern regions with broadcasts in aboriginal languages.

Other departments are also making great efforts to encourage the preservation and use of aboriginal languages. I am thinking here especially of the Department of Multiculturalism and Citizenship which in the 1988–89 fiscal year co-sponsored 45 literacy projects to meet native people's needs specifically.

One of the projects involved Labrador Community College setting up a literacy program for the Inuit in Labrador. This program provided basic training in Inuktitut and was an outstanding example of a local solution to a local problem.

The Department of Indian and Northern Affairs spends large sums so that native people can receive primary and secondary school education in their own language.

The government's intentions and actions on aboriginal languages need no longer be demonstrated. The facts speak for themselves.

Mr. Speaker, we all know the size of the deficit, or rather the debt, and the burden it imposes on the Canadian economy. Of course, each one of us must do our part and every new project must be thoroughly evaluated before receiving funds.

In *Shaping Canada's Future Together*, the government defines its position on this country's native people as follows: "It is unacceptable that Canada's first peoples, who were here for thousands of years before the arrival of European settlers, should find themselves, centuries later, among the most socially and economically disadvantaged citizens in Canada. Canada's first peoples, who were self-governing before the arrival of the settlers, want nothing more than the means to regain control of their own destiny within Canada."

It is unnecessary to point out the considerable importance of preserving aboriginal languages for the future of the First Nations.

In this spirit, we believe that the concept of the Foundation and the objectives of Bill C-282 should be supported, taking into account the restrictions to which we are all subject.

In this matter as in others, we are cooperating with the native peoples of Canada so that they can take control of their destiny, contribute to the prosperity of the country and fully benefit from it themselves as well. Diversity makes our nation rich and unity makes it strong.

[*English*]

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, it is always a privilege to speak in the House of Commons and to share ideas with my colleagues, my fellow parliamentarians.

The bill which we have under consideration now, the private member's bill of the member for Western Arctic, is an act to establish the aboriginal languages foundation. I would like to say briefly that the purpose of this bill in establishing the aboriginal languages foundation is to address a fundamentally important and historically overlooked need in this country.

Clause 4 of this bill sets out the purposes of the foundation and I think it is important just to highlight some of those. The purpose of the foundation is to facilitate throughout Canada the acquisition, retention and use of aboriginal languages that contribute to our country's aboriginal heritage. Some of the ways that this would be done would be by promoting through public education and discussion the learning of aboriginal languages and their benefit to aboriginal peoples of Canada, by providing the public with information about aboriginal language resources, and by developing programs to improve the quality of aboriginal language instruction. All of this would ensure the perpetuation, the revitalization, the growth and the protection of aboriginal languages.

The bill goes on for another 20 clauses to outline the fashion in which the foundation would work, its powers and its practices. It is very clear that Bill C-282, which was introduced here on September 20 of this year, represents a great deal of work. Clearly a lot of thought has gone into this legislation.

In noting that I would like especially to pay tribute to the MP who has introduced this bill, the member for Western Arctic. All of us who come here as MPs represent two constituencies: our own electoral district and then a broader national constituency made up of the people who share a common concern. All of us have special interests, concerns, goals or issues spreading right across the country that we try to deal with. Certainly the member for Western Arctic, the member for Wetaskiwin and other members in this House carry a very heavy responsibility in that second constituency, representing here the interests and diverse needs of Canada's aboriginal peoples.

My sister and her husband, Victoria and Douglas Billingsly, reside in the hon. member's constituency at Inuvik, and I know for a fact that even though the member is busy with this broad national issue she is also providing very constructive and positive service to her constituents. I wanted to take that moment to express from one parliamentarian to another recognition of the dual role that all of us play. In this case it has been performed in a way to give us this very interesting and timely Bill C-282.

At its core this bill is dealing with culture and with language. We do not have to think back very far in Canadian history, indeed only to the sixties, to a royal commission on bilingualism and biculturalism. We certainly know that the notion of biculturalism was buried in the sixties as Canada came to embrace the concept of multiculturalism, a concept that is now entrenched in the Canadian Constitution.

What about multilingualism? I remember speaking one time with the member for Provencher, Manitoba, and he explained that his father, Mr. Epp, spoke five languages, none of them among the official languages of Canada.

The member for Western Arctic referred to people in Europe speaking two or perhaps three languages. My own wife Corinne, coming from the Netherlands, speaks five languages currently and has working knowledge of two others. This is in fact the whole story of our country. It is a country of many languages, all of them important, all of them deserving to be respected. While sometimes we might despair that we are living in a country that is a land of babble, we must also recognize that we are living in a country that places extraordinarily high value on freedom of expression.

We long considered free of expression to be one of our natural rights and now additionally it is one of our entrenched rights in the Canadian Constitution. I meet a lot of people who are coming here these days from eastern Europe and Ukraine. I ask them what surprises them most about Canada. There are a lot of surprising and interesting answers, but consistently one of the answer is their surprise at discovering in Canada the vibrancy of the Ukrainian culture and the living language spoken by the one million Canadians of Ukrainian descent.

• (1220)

Bearing that in mind, let us think back again to that same royal commission on bilingualism and biculturalism. As a university student I remember reading that there was descent written to that royal commission report by Jaroslav Bohdan Rudnyckji. He said that at a time when the Ukrainian language was being suppressed in its own native country through Russification, it was very important in Canada that that language be given every opportunity to thrive, because this was one place in the world where it had great opportunity to grow.

If that was true—and I believe that it was—with respect to the Ukrainian language in Canada, how much truer, how much more important it is with respect to the languages that were first spoken by the people living here even before those of European extraction settled in these lands of the Indians.

Earlier languages, as the member for Western Arctic and other members from Edmonton and elsewhere have mentioned, are numerous in this country. Many of them were only passed on as an oral tradition.

Four years ago I read an article about a Canadian who had travelled throughout this country in the twenties, recording a number of these aboriginal languages and the particular dialects. I say "recording" and we wonder how someone could go around with a tape recorder in the twenties. It was not a tape recorder as we know it now. These were being recorded in meetings with native Canadians and the recording was done on wax cylinders.

The men, women and children who spoke those languages in this country in the twenties and thirties are now gone and the languages they spoke are now gone. The only record we have are these aging and deteriorating wax cylinders on which their almost ghost-like voices can be heard speaking yet another lost aboriginal language of Canada.

There is so much that could be said on this, yet for me that image says it all. That is why I am supporting this bill, why I congratulate the member for bringing it into the House of Commons, and why I express my hope with respect to procedure that we will find it within our wit here to support having this bill go to committee where it can be more fully discussed and brought into the public statutes of our country.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am absolutely delighted to participate today in the debate on Bill C-282, an act to establish the aboriginal languages foundation, introduced by the hon. member for Western Arctic. I want to join with all of my colleagues in saying that we appreciate this initiative.

It is an initiative that has been under way now for some time and has the enthusiastic endorsement of First Nations peoples. I believe we ought to go even further than what we are doing to day in terms of simply extending the debate time. We should actually work to make it a votable piece of legislation. I cannot imagine anyone saying that this is not something that is of sufficient importance that should not be voted on, moved through and become law. However, we can deal with that at the appropriate moment.

I want to make it very clear that as far as we in the New Democratic Party are concerned, we would like to see this bill not only debated but voted upon and become a reality.

I suppose the reason for that is obvious. We have heard today some very eloquent speeches in support of this initiative by the hon. member for Western Arctic. I join with my colleagues in supporting those comments. This is an initiative that would promote aboriginal languages, that would improve the quality of language instruction, that would develop resource materials through research, provide additional language materials for use in various curricula and an opportunity to enhance linkages with colleges, universities and other institutes in the promotion of aboriginal languages.

Other aspects of this legislation, Mr. Speaker, obviously make the bill one we would all endorse enthusiastically. I first became knowledgeable about the need for this foundation some years ago when the Shuswap Tribal Council, on their own initiative, agreed to take the matter of cultural revitalization very seriously. Part of that building process was to save the Shuswap language and to take immediate steps so that more and more people, particularly younger people, would be introduced to the language, learn and become fluent in it.

It is interesting these days to attend various gatherings of the Shuswap people and hear the Shuswap language being used in communication, sometimes simply as a formal introduction, but more and more being used by individuals, particularly younger people, in their every day communication. Indeed, this is encouraging. I think we all appreciate that a culture without a language simply does not exist.

Language itself is the fundamental life-blood of the development of any culture. I suppose parts of our very darkest history in Canada were those periods where the aboriginal languages were almost beaten out of young people attending the various schools. They were forbidden to use their original languages in school and were made to feel as second rate or third rate citizens if they used the languages of their parents and of their ancestors.

Thank goodness that period is behind us and now we are seeing, as we have seen in the Shuswap nation, important steps being taken to develop a curriculum and new reading materials, new experience-oriented educational opportunities to once again enable, particularly young people, to feel proud of their aboriginal heritage.

Perhaps one of the aspects of this bill will also be to promote public awareness of native languages. It is a frightening prospect when you recognize that of the 53 aboriginal language groups existing in the country, only three are considered to be safe in terms of their ability to continue indefinitely into the future. Fifty languages are at risk. If those languages are at risk then it also means that those cultures are at risk. So simply the understanding of non-aboriginal people as to the importance of this particular initiative is a critical part of this particular bill.

I appreciate the hon. member's motive for doing this and the work that she and many of her colleagues, aboriginal people in this House, have made to bring this light to the public consciousness generally.

I want to acknowledge the leadership role played by a number of individuals in my own constituency, and I refer specifically to people like Chief Manny Jules, Ron Ignace, Nathan Matthew. I suppose it is not fair to name just a few when there are so many people that have been involved on a very personal level in the development of curriculum and the local native languages and the various dialects.

I think it is important that we acknowledge the work being done by so many people across the country to enhance the status of aboriginal languages generally.

• (1230)

I suppose it now becomes evident and obvious to everyone the need for a foundation. That is why I think it is important that we put our collective minds together to see how we can advance this particular bill simply beyond the debate stage. The comments I have heard today from literally all sides of the House would indicate strong support by all of those who have spoken, and I believe that those who have spoken on behalf of their various caucuses are doing just that; that no caucus would say there is not a need for this foundation, that we have taken large steps over the years in terms of support for bilingualism and biculturalism and more recently in recent decades multiculturalism.

But this, of course, goes far beyond that in acknowledging those people who have been in this part of the world for tens of thousands of years. I cannot think of a better year to do that, when we are hearing and reading in the media so much about the role of Christopher Columbus and the discovery of America, when in fact we acknowledge the fact that tens of thousands of people had lived here for tens of thousands of years before Christopher Columbus even thought about setting sail for some place unknown west of Europe.

Again, if there is a moment in history that would require us to act it is now. The need is evident. The bill before us is a thoughtful initiative and identifies all of the necessary steps that ought to be taken immediately. For that reason I want to say that we should all work to ensure that this becomes a votable piece of legislation and soon becomes a bill that this Parliament will pass so that we can actually see not only a debate around the necessity of such a foundation, but the initiative coming to reality and seeing the foundation itself struck as soon as possible.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I too appreciate the opportunity to speak on Bill C-82, an act to establish the aboriginal languages foundation. I want to compliment my colleague from Western Arctic for continuing to advance the cause of this particular part of aboriginal culture in this country.

This bill, for me, is not just about language, it is about the value system in this country. Since 1971, when the Multicultural Act was proclaimed in this House, we have continued to talk about the fact that no culture is less than or greater than another culture. But it seems to me, as we have advanced that debate, we have not given the time or the focus to our founding peoples, to our first peoples, to our first nations.

I see in my own riding that in particular the Greek community has access to all of the cultural or the heritage language programs that they need and require. I see that in the Italian and the Chinese communities. We too have an urban native Indian council in our community and they do not share in that opportunity which the other cultures have. Somehow we overlook the fact that in our major urban centres we also have communities from the north. Some of our native peoples live in urban areas and in my opinion they are always sort of shunted to the side. It is only recently, as the country has begun to develop a focus on environmental issues that we as a nation have become more receptive to our native peoples. When we travel in airplanes in the north, we don't just hear French and English, we will also hear native languages on the airplanes, see it in the brochures, when we go into hotels, when we go into the north. We will see that that community naturally is sensitized to the needs of our native peoples. We who live in the major urban areas do not seem to have that kind of sensitivity.

This bill is really a test of that fundamental issue which is before all of us as parliamentarians, and I think our colleague for Etobicoke—Lakeshore alluded to it in his remarks earlier. There are many times, and it should be all the time really, when we must have a trust factor when we talk about issues in this House. This issue is really an issue of trust. We are constantly tested in this House as to what kind of actions increase the trust factor and what kinds of actions diminish it. When we talk about an issue like this today, it is a test for all Canadians, not just our First Nations, in front of all peoples as to what the level of our trust is.

We can talk about being sensitive to the needs of our aboriginal peoples, but now we have an opportunity to put those words into action. As many speakers have said earlier, language is the heart of a culture. If we are going to preserve, promote and support our aboriginal culture then what better way than to show in this House today support for this aboriginal language foundation.

It is obvious to most Canadians today that Canada, as a nation, is being judged internationally by the way we treat our native peoples. If we believe that language is at the heart of the way we treat native peoples, and when we see how many of the various languages in the aboriginal community are on the verge of being extinct, and we have a very special opportunity to prevent those languages from going into extinction, it is incumbent on all of us, not just those members who live in the north, but those of us who live, as the member for Etobicoke—Lakeshore said earlier, in urban areas, to speak to this issue as well and make sure that our aboriginal peoples get the same treatment as all the other cultures that have been given special treatment over the years in this country.

It is plainly logical to me that if we can have radio stations, newspapers and special heritage language courses, it seems fundamental and logical that we set a national foundation for our aboriginal peoples which will look after the rights and concerns of all of aboriginal peoples when it comes to their basic language.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to speak to the private member's legislation which is before the House this morning.

I would like to join with other members of the House, Mr. Speaker, who have welcomed you back after your brief illness and time in which you were in the hospital. You know that you carry the goodwill of every member of this House and that we are all delighted to see you back. We look forward to the joyous personality and good humour that you bring not only to the Chair but to the entire House of Commons. So we do welcome you with those few words of greeting and hope that you will be completely recovered and back on the job in the months and years ahead.

The aboriginal languages foundation bill, which is sponsored by the hon. member for Western Arctic, is a very important bill. I thought that she spoke especially eloquently and especially sensitively to the whole question of language and culture.

• (1240)

It is especially fragile in the case of aboriginal languages because as she said these were languages used historically and many still are. They do not always have the written component to the language. If it is lost, it is lost completely. I think that is the value of this particular piece of legislation through which we are trying not only to promote aboriginal languages and preserve them, as the foundation would have as one of its major purposes, but also to develop the languages and to develop teaching materials to ensure those languages can be preserved. There are a very few actually in a state in which they probably can be preserved.

I know there was a person working on a special commission in the Secretary of State's department just two or three years ago. She suggested to me that there are probably only 15 or 20 which can actually be maintained or have a written component to maintain themselves easily.

The hon. member for Western Arctic is really to be commended for bringing forward this bill this morning. It would establish an aboriginal languages foundation which would have as its several components the retention and promotion of aboriginal languages through public discussion, the learning of aboriginal languages, and the benefits to the aboriginal peoples of Canada. It proposes as well providing the public with information about aboriginal languages and resources. It proposes developing programs to improve the quality of aboriginal language instruction. It suggests that this foundation would have as one of its purposes a program to assist in the production and dissemination of Canadian oriented materials related to the study of aboriginal languages and to assist in establishing standards for those languages of an aboriginal nature. It also would conduct research. If a language is not written and the language is often maintained only by the elders, it is not as if we can immediately promote it and develop it without a considerable amount of research being carried out.

It also proposes the establishing of scholarly and professional links among the foundation, universities, colleges and other organizations, and persons interested in the foundation's work. It is proposed that there be a major new aboriginal college, for instance, a national college at the Algoma University College in Sault Ste. Marie. If that college is fully developed and established, this foundation could be an important national agency which could assist it in ways of promotion, development and research or could just assist that new college at the Algoma University College.

I guess my overriding interest in this topic this morning is not only that we have some 13 Indian bands in the Algoma federal riding stretching from Batchawana on the Lake Superior shore down to Killarney near Georgian Bay and involving some half dozen Indian bands on Manitoulin Island, but as well another half dozen or so along the north shore. The North Shore Tribal Council involves all those bands along the north shore of Lake Huron.

I think we are especially fortunate in our area in that we have in Manitoulin the Ojibway Cultural Foundation which has been doing many of the things that this new national foundation would do. It promotes the use and development of educational programs and educational materials for the Ojibway language. It assists in all kinds of programs in the aboriginal community for art, culture and language.

We are very fortunate in that the bands throughout the Algoma–Manitoulin area have banded together to establish the Ojibway Cultural Foundation and provided their encouragement and their support. It has been especially useful in teaching the aboriginal languages of our area and promoting the whole linguistics, art and culture.

As the hon. member for Western Arctic said, if you take away the language you almost take away the soul of the aboriginal people. If you cannot speak, if you cannot articulate, if you do not have pride in your culture, in your heritage and in the way that people express themselves or think about their elders, their ancestors or their whole culture, if you lose the ability to articulate that and speak, you really lose the whole being for those communities and those individuals.

I hope that the government will not talk out this foundation or vote it down. I hope it will allow the bill to go the to standing committee. In that way it will be able to see the value in establishing this foundation.

I would say the Ojibway Cultural Foundation has a really outstanding director, Mary–Lou Fox, who has been the director there for many years. She is a very talented, excellent person who single–handedly kept that organization going. She has kept the band councils of the area working with her and has kept them advised. She has an advisory board and a board of directors.

We are one of the few areas in the country with several hundred bands that has that kind of foundation. A national foundation would not only provide support and back–up for local regional aboriginal and cultural foundations but would assist in establishing new ones in areas where the population is too small to have the kind of organization as we have in the Ojibway Cultural Foundation and West Bay Reserve in Manitoulin Island.

The key here is that we want to see this foundation established. It is really late in the game. We should have done this some time ago, but clearly doing it now can mean that some of those objectives can be reached, the objectives of conducting research, establishing relationships with universities and colleges of higher learning, perpetuating and revitalizing growth and protection of aboriginal languages, responding to the needs of aboriginal communities, and providing the funding required to enable communities to have those aboriginal languages and cultures preserved.

I do not want to spend a lot of time but just to indicate my support. I want to compliment the hon. member for Western Arctic in bringing forward this bill. Obviously she has done a great deal of work on Bill C–282 respecting the aboriginal languages foundation. It certainly has a great deal to offer in perpetuating, maintaining and promoting aboriginal languages and aboriginal culture in this country. It really promotes and recognizes a way for the House of Commons and Senate hopefully to express our commitment to the aboriginal peoples, the First Nations of Canada.

[*Translation*]

Mr. Jean–Pierre Hogue (Outremont): Mr. Speaker, I wish to join my colleagues in congratulating you and welcoming you back in your House. We are extremely happy to see you back in such a great shape. You bring some sort of personal warmth to this place and it gives me pleasure to mention this.

Mr. Speaker, it is with both humility and great pride that I take part in this debate on Bill C–282 put forward by our colleague from Western Arctic.

• (1250)

Mr. Speaker, many members, in fact most of us have read this bill and it is obvious that we each want to speak in support of it.

When you look at its purpose, this bill does the Parliament of Canada, as well as this social reality of our beautiful country, great credit. It talks about promotion, providing information, developing programs, assisting in the production, with each new item reinforcing and providing new ways of making Canada what it is, different from any other country and of course from our neighbour to the south.

As President of the Committee on Multiculturalism and Citizenship, I also have the duty and the pleasure to look at this matter and participate in the debate. Mr. Speaker, as some members pointed out, this bill deals with the very fabric of our nation. Parliament and its members are asked to consider, work on and pass a bill which ensures that every Canadian citizen has the pleasure and privilege of reverting to his or her mother tongue and thus rediscover, if they were lost or not as lively as they could be, his or her roots and integrity.

The mother tongue, Mr. Speaker, is not only a symbol. It is also a social reality, but even more so a psychological reality. The child starts learning on his mother's lap how to grow up into an adult, to develop, to grow richer with a full scale of values and these, of course, will be transmitted through language.

I think that the mother tongue is the noblest symbol and reflection of our lives in our society. Language is associated to the first cries, the first laughs and words of a child, as he or she starts to develop, to relate with their environment, their country. The loss of this language would necessarily mean the loss of part of their roots and it could take them several years of efforts to regain that sense of belonging, of wholeness fundamental to any nation.

For a number of weeks now, Mr. Speaker, I have been wondering about a couple of concepts. The first one is the concept of national unity which I relate to the concern for and the concept of national identity.

And I wonder whether we can find several national identities through this same unity. I found an article by Claude Lévi-Strauss and Didier Eribon in last January's issue of *L'Actualité*, and I would like to tell you about it.

Lévi-Strauss wrote: "It is better that cultures remain diverse or that they renew themselves through diversity. However, one must be willing to pay the price: namely, that cultures linked to a particular lifestyle or value system must protect their distinctive characteristics; such a situation is healthy, and not at all, as some would have us believe, pathological. Each culture evolves through a process of give and take with other cultures. However, each culture must offer some resistance; otherwise, it would soon have nothing of its own to give in return."

Mr. Speaker, Lévi-Strauss is not just anybody— my colleague is laughing at that and that makes me relax a bit because these issues concern me very deeply. As I was saying, Lévi-Strauss is not just anybody: He is certainly a first-class author.

Following what I was reading, I wrote that, for a number of years now, this question of unity, this question of identity, is a source of concern within organizations and businesses. And, without going back too far, it is interesting to note that the second industrial revolution prepared industry to have to deal with the problem. Companies were growing and expanding and the craftsman was forced more and more to fit into a larger entity and risked losing his identity. Pretty soon after this second revolution, there came this author, Fayol, and this philosophy of the Protestant ethic, that emphasized unity of command and organizational unity. Therefore, the individual, caught in this organization's tentacles, would often wonder whether he was losing his identity.

Then came McLuhan and other authors from sociology and psychology. They examined this issue with a much more scientific approach, so that in the 1950s William White came out with a book and a theory called "The Organization Man". White told us that workers suppressed their identity. The greater the proliferation of organizations, the more important it is for the individual to find reference points and deep roots. Mr. Speaker, as you know, it is through language, the mother tongue, that a culture can regain its roots and be reborn. That is why, as committee chairman, and also because our minister, who is responsible for multiculturalism, allocates money, but more importantly, implements a philosophy to protect all these cultural assets.

• (1300)

Mr. Speaker, I understand my time is up.

[*English*]

Ms. Blondin: Mr. Speaker, I rise on a point of order. I know that we are running out of time. Because of the importance of this bill to all Canadians and to the country, I would like to seek unanimous consent of the House to refer it to committee, to make it a votable bill.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I too would like to rise in support of the bill. Coming from a city riding and being very active in the debates of last year when we proposed and passed a bill setting up a Heritage Language Foundation, it seems this bill is a logical extension of the philosophy that was expounded by a bill only last year.

In the context of a multicultural society which recognizes that only through language can culture and traditions be maintained and engendered and can a sense of history and belonging in this country come about, this bill makes much sense.

It also makes enormous sense in the context of the constitutional debates that have been generated over the course of this last month wherein all parties acknowledged the fact that we should underscore the importance of aboriginal self-determination. We can only ensure that self-determination has meaning if we acknowledge that people have a right to a sense of being that is expressed through a language medium and recognizes their own particular traditions, history and philosophy of life in the context of Canadian society.

I believe this bill addresses that, and I urge all members to support it.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-10, an act to amend the Excise Tax Act and the Excise Act, as reported (without amendment) from Legislative Committee F.

SPEAKER'S RULING

The Acting Speaker (Mr. Paproski): Before we get into putting the motions, let me indicate that there are seven motions set down on the Notice Paper for the report stage of Bill C-10, an act to amend the Excise Tax Act and the Excise Act.

Motions Nos. 1, 2 and 3 are acceptable. They will be debated together but voted upon separately.

Motion No. 4 standing in the name of the hon. member for Haldimand—Norfolk and Motions Nos. 5, 6, and 7 standing in the name of the hon. member for Winnipeg North cause the Chair some procedural difficulties in that they appear to direct the government to remit some or all of the moneys collected as a result of this increased tax to the support of various groups or causes: tobacco growers, hospitals or public health programs related to tobacco consumption.

Neither Bill C-10 nor the ways and means motion upon which it is based has addressed the question of how the collected moneys could be dispensed.

In my view these motions attempt to go beyond what was envisaged by the bill given second reading by the House. Therefore, in accordance with Beauchesne's sixth edition, citation 698(1), I must declare Motions Nos. 4, 5, 6 and 7 out of order as they are beyond the scope of the bill.

I shall now put Motions Nos. 1, 2 and 3 to the House.

Mr. Pagtakhan: Mr. Speaker, I appreciate your ruling my Motions Nos. 5, 6 and 7 out of order on procedural grounds. However, I would just like to remind the Speaker that the purpose of my amendments is precisely to earmark the funds for health promotion and health protection.

I wonder, as I feel there is a sense of support from across the floor, if I can have unanimous consent to have Motions Nos. 5, 6 and 7 put forward and debated.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

MEASURE TO AMEND

Motion No. 1

That Bill C-10 be amended in clause 1 by striking out lines 23 to 25 at page 2 and substituting the following therefor:

"(a) 0.001 cent per cigarette;

(b) 0.001 cent per tobacco stick; and

(c) 0.001 cent per gram of loose tobacco."

Motion No. 2

That Bill C-10 be amended in clause 5 by striking out lines 5 to 12 at page 5 and substituting the following therefor:

"1. Cigarettes, $0,10889 for each five cigarettes or fraction of five cigarettes contained in any package.

2. Tobacco sticks, $0.001 per stick.

3. Manufactured tobacco, including snuff, but not including cigars, cigarettes and tobacco sticks, $15.215 per kilogram.

4. Cigars, 40.001 per cent."

Motion No. 3

That Bill C-10 be amended in clause 8 by striking out lines 25 to 29 at page 6 and substituting the following therefor:

"4. Cigars, $9.190 per thousand.

5. Canadian raw leaf tobacco, when sold for consumption, $0.978 per kilogram actual mass.

6. Tobacco sticks, $0.001 per thousand."

He said: Mr. Speaker, I rise today to voice my strong objections to Bill C-10 and to propose amendments which I feel will help alleviate the adverse impact this bill will have not only on consumers of tobacco products, but also on producers of that product, tobacco farmers.

I want to make sure that this government fulfils the commitment to farmers that it has made time and time again in this House, to return some of this taxation to the producers in order to help alleviate the adverse impacts of increases on their industry.

In going through my amendments, Motion Nos. 1, 2 and 3 are essentially the same. They essentially reduce the amount of tax on tobacco products. I was unable to put in a motion to withdraw this tax totally because that motion would have been ruled out of order by yourself, Mr. Speaker, as was my Motion No. 4 which dealt with giving the returns of this taxation to tobacco farmers.

Let us be clear about this bill. This government has attempted to cloud the issue and to cover up the real intent of this bill. This bill is nothing but another tax grab by this government. This is not a health bill. The government certainly has the right and the responsibility to show its view on smoking and to alert Canadians to the potential health risks of smoking. This is not what is at issue here.

What is at issue here is the use of the tax system to impose an incredible burden on Canadians who supposedly, after considering these warnings, have exercised their ultimate right to choose. What is at issue here is the government's refusal to fulfil promises to assist tobacco farmers in their time of need and to help those who want to leave the industry, and to help those wishing to remain to find new markets for their product.

Why does this government always feel that the solution to its problem is always through taxation, to tax people into submission? It has a deficit problem. It is spending too much, more than it is taking in. So what has to be done? This government's solution is to tax people, tax the little guy. Taxation is not the answer and it is surely not the answer in this case.

If the government is so concerned about stopping young people from smoking as it claims, why is it not implementing a program like the one in the United States. Students starting in the first year of schooling are educated about smoking and are actually offered certificates for completion of this non-smoking program. It seems to me that if it wanted to stop young people from smoking this would be a viable program to implement. Unfortunately the government has not done that. Instead it has gone the taxation route.

In a recent article Hubert Laframboise, a former deputy minister at Health and Welfare, said that this U.S. program would give students: "a continuous bombardment as to the ills and dangers of smoking and would be a nucleus of a smoke-free society". He said that this would be a beneficial way to stop smoking among young people. Again, instead, the taxation government over there decides to tax people to death.

I welcome any government's concern for the health of Canadians, but I think its concern should not only be limited to those matters which just fatten its own coffers.

• (1310)

This bill proposes a 3 per cent increase in the federal excise tax on cigarettes and, by its own estimates, it will increase the government's coffers by some $1.4 billion.

The real intent of this bill is to increase revenue. It is not for the health of Canadians. It aims to do nothing more than to take money from the pockets of ordinary Canadians. It is a regressive tax, an unfair tax, and it is an unnecessary tax.

Tobacco farmers have been equally exploited by this government. With the latest tax increase it will take $4 billion a year in tobacco taxes from the sweat and labour of our tobacco farmers. What part of this $4 billion is it planning on giving back to the industry this year? Absolutely nothing.

Tobacco farmers have endured yet another year of uncertainty and hardship. While the past crop year has been a relatively good one and quota prices seem to have stabilized a bit, there is no getting away from the fact that the long-term outlook for tobacco is not a positive one.

The decline in the demand for tobacco brought about by growing health concerns, government anti-smoking legislation and those ever increasing taxes applied to tobacco sales, has left tobacco producers in dire straits. They have been left to look for compensation, alternative markets and alternative crops.

We hear time and time again from the government side: "Why do they not find alternative crops?" I am sure most of them would like to. They would like to find an alternative crop that would make them a living, but unfortunately in these hard times for Canadian farmers tobacco farmers are no different. Their soil is not any better than the rest. They are not going to find some magical crop to take over for tobacco.

There is no question that both governments, federal and provincial, have been unfair to tobacco farmers. In many ways I believe it is the uncertainty that is hardest to take. Decisions on tax increases and compensation have been arbitrary. In fact they have been contradictory. There has been stalling. There has been a lack of real analysis and comprehensive planning for the future of our tobacco growing industry.

The result of this lack of government strategy is uncertainty, financial suffering, political cynicism and human tragedy. The tobacco farmers in my area are in no short supply of these afflictions. My communities are probably the greatest victims of a government's lack of responsibility for taxation policy. Even the slightest additional levy on one cigarette means a loss of thousands of dollars in my communities of Haldimand—Norfolk.

Last March this government stopped accepting applications for the REDUX program designed to help tobacco farmers exit the program. Now some 600 farmers in our area are on the list. Will the federal government take some of the $4 billion it alone gets out of the industry and put it back in to help compensate farmers for that? None this year went to that end.

The tobacco farmer with 18 acres produces about 45,000 pounds of dried production, of which the farmer's gross revenue before cost is $66,000. What the government takes is $4.5 billion. That is 68 times what the farmer gets for his own product. The farmer then has to go and pay for the cost of producing that product. Per package the farmer's revenue is $0.073. The provincial government receives $2.31. The federal government receives $2.04. That is a tax of $4.35 alone in Ontario and the farmer gets 7.3 cents.

Since 1984, 900 farmers have abandoned the tobacco area leaving about 1,200 attempting to hang on. The transition has been very large and it has been very rapid. Nowhere has this rapid transition and displacement been felt more strongly than in my riding of Haldimand—Norfolk and in the neighbouring riding of Elgin.

Traditionally it has been one of the largest tobacco growing regions in the country. I am glad the member for Elgin is here to support me today. Many farmers have lost their farms. Some have struggled to start anew with a different crop, buying different tools and equipment, learning a new crop, and usually taking a loss for the first few years; but there are only so many farmers who can find a new crop without flooding the market, and very few have actually succeeded.

Farmers are a vital part of the economy of Haldimand—Norfolk and of Canada. When the people of Haldimand—Norfolk suffer indeed the people of Canada suffer. The small businesses where the farmer used to buy his products suffer. The students who work on the tobacco farms suffer, and they need that money to continue their education. In fact, all Canadians suffer when farming suffers. After collecting billions of dollars each year from the labours of these hard-working farmers, the Canadian government is putting them in a situation where they cannot leave the tobacco industry without losing their farms or without losing their retirement pensions.

Even when this government had in the past allocated money to these programs the funding was woefully inadequate. I am not sure, Mr. Speaker, if you are aware that these farms are these farmers' retirement pensions and because of the slash in quota price, because of the inflictions of taxation policy, these farmers in the end are going to end up with nothing. What Canadian can go through life and suffer through trying to produce a legal product and suffer as much as tobacco farmers do.

For every $300 it collected from tobacco the government gave less than $1 back to farmers who produced the product and who have lost their livelihood. Now this government contents itself with stalling tactics, with the continuation of these nickel and dime programs. The Ontario Flue-Cured Tobacco Marketing Board has worked long and hard to receive just treatment for the tobacco farmers from the federal government. They have asked the government countless times to end the *ad hoc* piecemeal approach to tobacco compensation and yet now when the entire state of tobacco is uncertain, this government even refuses to give the board any indication what compensation farmers leaving the industry will receive this year.

Imagine the uncertainty and the stress this lack of government compassion is causing the stricken farmers this very minute. These farmers want nothing more than to be treated fairly.

A group of these farmers have formed together. They have formed together to sue the federal and provincial governments for their increases in taxation over the last years. What did the governments do? They challenged these farmers' rights in the court. They challenged the rights in the court because they felt they had the ultimate time, that they had the ultimate responsibility to be able to defend what compensation these farmers would receive. Quite frankly Canadian farmers and indeed tobacco farmers are upset with this government because of the taxation policies and are willing to show this government next time around why they are upset with them.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have this opportunity to discuss at report stage Bill C-10. First of all I would like to indicate that I share a number of the concerns of my hon. colleague who has just spoken of the concern and plight of those in the tobacco production business. The tobacco farmers themselves obviously have not been treated fairly and not been given adequate support in order to move into other agricultural ventures. But that is something that we have before us, the challenge to deal with in the future, but today we are discussing the pricing of tobacco which I think is, I suppose one can say, indirectly related, but certainly not very directly related and a whole other matter.

I must say that I support Bill C-10 in these areas because I think it is fair to say that tobacco is the only legal consumer product that actually kills people when it is used as intended. This is rather astonishing when you consider that if people actually followed the intended use of this legal product they would have a very good chance of dying prematurely. As well, they would have a good opportunity of seeing to the premature death of those who sit around them as they smoke because we all know the implications of second-hand smoke.

We are dealing with a substance that is a killer substance. If there are steps that can be taken as members of Parliament to encourage people to reduce the consumption of this particular substance or perhaps not to use it at all, I think that is in the best interests not only of those individuals but of our society generally.

I must say that Canada leads the world in tobacco control. It is regarded around the world as a leader in controlling this substance and our success in reducing tobacco consumption in this country over the past few years actually testifies to the strength of this comprehensive approach. In the three year period, between 1989 and 1991, tobacco consumption in Canada has dropped over 20 per cent. It was during the same period that Canada passed two landmark pieces of tobacco control legislation, the Tobacco Products Control Act and the Non-smokers' Health Act, imposed significant tobacco tax increases in two separate budgets, 2 cents per cigarette in 1989 and 3 cents per cigarette in 1991.

• (1320)

Consumption in 1991 alone, largely owing to the substantial tax increases in the 1991 federal and provincial budgets, is expected to drop by approximately 10 per cent.

When you consider, Mr. Speaker, that there has been much research done on the precise relationship between the price and demand for tobacco products, we know now without any question that for every 10 per cent increase in price consumption will drop by 4 per cent. Because young people are more price sensitive, the impact of a price increase on their consumption of tobacco is even more pronounced. For every 10 per cent increase in price, consumption by young people and teens will drop 14 per cent.

I am going to add a few figures, but they are actually quite astounding. The tax increase of 3 cents per cigarette introduced in the 1991 federal budget means that cigarette prices increased by approximately 18 per cent at the retail level. This price increase will result in a decline in consumption of between 7 and 11 per cent or in other words, 450,000 to 700,000 fewer smokers.

According to the World Health Organization, between one–quarter and one–third of all smokers will die from their tobacco use. Therefore, 450,000 to 700,000 fewer smokers means between 112,000 and 230,000 fewer tobacco caused deaths. No other single tobacco control measure could mean so many lives saved.

It is estimated that consumption among young people will drop a dramatic 25 per cent. Of course, the greatest success to be achieved by any tobacco control program is to prevent people from becoming addicted in the very first place. This one measure is expected to stop at least 30,000 young people, age 19 and under, from joining the tobacco market. Many thousands more will quit smoking.

In total this budget change will result in approximately 100,000 fewer teenaged smokers in our country. Because virtually all new users of tobacco products are minors, reducing smoking participation rates among teenagers will, if sustained, result in a substantial decline in the adult smoking population in future decades.

I want to also use this opportunity to refer to a private member's bill that I introduced a few weeks ago that would increase the penalty to those retailers who sell tobacco products to very young children. At the moment, Mr. Speaker, if you are a retailer and you sell tobacco products to a 10 year old, you will be levied a fine of $10 if found guilty. This might have made sense 50 years ago, but in a modern day sense to be fined $10 is hardly something that is going to encourage people to uphold the law.

My private member's bill substantially increases those penalties to what I would term as rather unscrupulous or certainly unthoughtful retailers. A recent study in my own community found that when this particular group who were concerned about young people smoking below the legal age of 16 sent 10, 12 and 13 year olds into a variety of business outlets asking to purchase cigarettes, in most cases the retailers quite wilfully sold a package of cigarettes to a 12 year old. Obviously, a 12 year old is not someone that is 16. At those ages it is pretty obvious. For that reason I think it betrays a rather lackadaisical attitude at least that some people still have in terms of this particular problem, that as I said earlier while legal and used as intended will actually kill you or the likelihood is certainly there.

Although actually I do not normally support government legislation, I find myself in support of this. I only hope that there is a chance that you would consider your ruling, but I suppose you will not, on the hon. member for Winnipeg North's amendment that would permit the taxes to be directed to health programs. I think this is a useful initiative. It is a targeting of tax dollars to something we would all support. However, technically I understand the reason for your ruling and unfortunately we will not be able to deal with this. Perhaps we could find some other way of introducing this measure at a later date, but I commend the hon. member for this initiative in this particularly critical area.

It would be easy to go on at some length about the horrors of tobacco smoking and the concerns it causes, to say nothing of the incredible costs it imposes on society because of the strain it puts on our health care system. Those speeches have all been made and I think my comments today certainly sum up my feeling on this, and it is that we should not support these amendments that are being put forward by my humble colleague, but support the general intent of this legislation.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I want to thank both my colleagues for their comments. As those who are sitting here in the House today and those watching the proceedings on television will see, there are definitely two opinions on the piece of legislation we have before us.

I would be very surprised if these amendments to this legislation had the backing of the Liberal caucus because I know many in the caucus, especially the hon. member for Winnipeg North, who has great concern in this area, support this type of activity but would, as his amendments indicated, like to see moneys earmarked for specific reasons from the moneys raised by the increase in taxes.

My colleague from Kamloops laid out some very important statistics, facts and figures that we are concerned about. As a matter of fact, if you look at the projections of moneys to be received from the taxation of cigarettes, we have allowed over the five-year plan for that to gradually go down. We believe that cigarette smoking will continue to decrease.

Our major concern in the health end of things are the numbers of young people who start smoking. The hon. member referred to the retailer selling to youths, and so on. He has a very good point there, there is no question about that. We are finding that especially young female teenagers are taking up the habit. They have probably been the growth industry for the cigarette manufacturers, and of course we are concerned about it. Those in the know, not the government but those outside government, tell us that these proposals in Bill C-10 will prevent 100,000 teenagers from starting to smoke. If that is the case, then the bill has in fact been very helpful.

The colleague from Haldimand—Norfolk whose amendments we are discussing today made some points and I understand his concerns. He represents tobacco farmers here in the House of Commons.

Many tobacco farmers have left the business. There has been some help for them. There has not been a refusal, as he said in his speech, to help the tobacco farmers this year. We are waiting for the Ontario government to co-operate with a program to help the tobacco farmers because it taxes as well and it has the responsibility of sharing to help tobacco farmers. We are waiting for it and he knows that. Those facts were given to him in committee and I was a little shocked when I heard his speech today because he slightly misrepresented the facts as they were presented to him, and I felt badly about that.

As far as educational programs in our schools are concerned, curriculum, of course, is the responsibility of provinces. The ministry of health in the federal government has a number of excellent publications regarding health care and the problem with cigarette smoking. They are widely distributed in schools. I know there are programs there to encourage young people to stop smoking.

• (1330)

The motions that my friend from Haldimand—Norfolk has proposed today, just so that people understand the magnitude of them, would reduce the taxation on a carton of cigarettes by almost $6. Four-tenths of one cent would be the increase in the taxation and not the $6 per carton the bill purports to do. That is inconsistent with the vote of this House to adopt the ways and means motion and the approval in principle given to the bill by the House of Commons at second reading.

All groups that appeared before committee, people from the field of health, the cancer institute and so on and so forth, support this bill. There is no question about it.

He said that the return to the tobacco farmers is small compared to the end price of the product, and there is no question about that. Grain farmers could probably say the same thing with some of the products they produce, although tobacco farmers' returns compared to what other farmers are finding in returns these days are substantially more than $6,000 more to the farmer. That is the average right now and is of great concern to those of us in this country.

I understand his concerns for the farmers. We share those with him, but we believe that this is a very important bill for the health of the country and to raise revenues. We do not shy away from that. Bills have to be paid.

My friend from the New Democratic Party discussed today some very accurate statistics on the health aspects of cigarette smoking. They cost a tremendous amount of money in health care to which all levels of government contribute. Therefore we have to fund that care.

It is estimated that 30,000 Canadians die each year from the result of cigarette smoking. Anyone who has lung diseases and breathing disorders—not being a medical practitioner I cannot put all the names to them but emphysema and so on—knows full well the health care costs attributed to this. We as a federal government have to pay a good share of those health costs.

All these matters come into play. I would urge that we defeat Motions 1 to 3 in the name of my colleague and friend from Haldimand—Norfolk and that we proceed to third reading as soon as possible on this particular piece of legislation.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I would like to join this debate and support Bill C-10 as an effective tobacco taxation measure.

The health community and I think Canadians generally support the use of fiscal policy as an important component in the comprehensive strategy to reduce tobacco use.

Because of the direct link between the price of tobacco products and their level of consumption, tobacco tax increases are a highly effective health promotion measure. I know that from personal experience. I quit smoking when the price of cigarettes went up to 50 cents a pack and that is a few years ago, as anybody who has attempted to buy a package of cigarettes knows. It is a highly effective health promotion measure.

There is a direct link between price and consumption. As a number of people have pointed out, the young people are most price sensitive. The impact of a price increase on their consumption of tobacco is even more pronounced. That is, for every 10 per cent increase in price consumption will drop by 4 per cent. Hurray, I do not want young people to start smoking and those who have already started smoking, I want them to stop. If we have to tax cigarettes out of existence then I think that is what we should do.

As other people in the House have said the major market is young women. That is another tragedy. It is young women who become pregnant and then pass on the smoke to their infants which causes more health problems. It is a snowball effect.

No other single tobacco control measure could mean as much as a tax increase. No other measure would mean that so many lives could be saved. It is estimated that increasing tobacco taxation will cause young people to stop smoking at a rate of 25 per cent. That is terrific. I cannot understand why there are some members of the Liberal caucus who want to amend this legislation and encourage the use of tobacco.

Tobacco farmers do need support. They need support to get out of the product and to get into new crops that will promote the health of Canadians.

Critics also argue that a substantial tax increase represents an unjust infringement on the rights of smokers to consume a legal product. My colleague, the member for Kamloops, has pointed out that tobacco is the only legal consumer product that kills when used exactly as intended.

Once again I know from personal experience that this is true. My closest friend died 10 years ago from lung cancer, leaving three young children. She had tried to quit smoking a number of times. The smoking finally got to her and she died. Her children are now the same age as my children. They are teenagers, but those teenagers have grown up without the benefit of a wonderful woman as their mother.

There is no freedom from addiction. There is no freedom from the cardiac unit or the cancer ward. The cost to society from tobacco caused deaths and disabilities is billions of dollars every year. That does not even take into account the extraordinary cost and the lost contribution to society of the more than 35,000 Canadians who die tobacco caused deaths every year. These numbers are mind numbing: 35,000 Canadians die from tobacco caused deaths every year.

The government is to be congratulated. I would like to underline the word "congratulated". I am not accustomed to congratulating this government. It should be congratulated for understanding the important role fiscal policy plays in the comprehensive strategy to reduce tobacco use.

In the three-year period, 1989 through 1991, tobacco consumption in Canada has dropped over 20 per cent.

Once again I have a personal story. My 73-year old mother has just quit smoking. I applaud her courage in doing that at this very late stage in her life. It is not just her life, but the lives of all of us who care about her, who care about her health and want her to live many, many more years. The price of tobacco products was a partial reason for her decision to quit.

In 1991 alone consumption, largely owing to the substantial tax increases in the 1991 federal and provincial budget, is expected to drop by approximately 10 per cent. There is a direct linkage between health care costs and tobacco costs.

As a member of the New Democratic Party, the same party that is now forming the government in British Columbia where health care costs are going through the roof, any instrument we may use at the federal and provincial level to reduce health care costs and to pass along the kind of revenues that provinces need to look after the health of their citizens should be applauded. I think we in this House should applaud the government's role in using fiscal policy as an instrument for tobacco use and pass Bill C-10.

• (1340)

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The first question is on Motion No. 1. All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

The next question is on Motion No. 2. All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

The next question is on Motion No. 3. All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

The House will now proceed to the taking of the deferred divisions at the report stage of the bill now before the House.

Call in the members.

And the division bells having rung:

The Acting Speaker (Mr. Paproski): Order, please. Pursuant to Standing Order 45(5)(a), I have been requested by the chief government Whip and the opposition Whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(5)(a), the division on the question now before the House stands deferred until three o'clock p.m. later this day, at which time the bells to call in the members will be sounded for not more than 15 minutes.

SUSPENSION OF SITTING

Mr. Hawkes: Mr. Speaker, there have been discussions during the interval when the bells were ringing. I think you would find unanimous consent simply to suspend the sitting until two o'clock. Then the division would take place shortly after Question Period later this afternoon. That would serve the House best.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some hon. members: Agreed.

The sitting of the House was suspended at 1.48 p.m.

SITTING RESUMED

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

SMALL BUSINESS WEEK

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, Small Business Week starts today. Small businesses make a major contribution to the Canadian economy. In fact, in his last Budget, the Minister of Finance called small businesses the motor of Canada's economy. However, as a result of the Tory government's unsound economic policies, Mr. Speaker, the motor is not running smoothly. Small businesses are suffering as a result of the GST and the government's monetary policies.

Since the Tory government came to power, there has been a record number of bankruptcies and lay-offs in this country. In Montreal the situation is catastrophic. Since March 1990, Montreal has lost more than 17,000 jobs in the clothing industry, more than 14,000 in the hotel industry, and the list is endless. Mr. Speaker, to improve the health of small businesses in this country, we need a Liberal government.

* * *

[*English*]

THE ENVIRONMENT

Hon. David MacDonald (Rosedale): Mr. Speaker, at noon today three very important international organizations, the World Conservation Union, the United Nations Environment Program, and the World Wide Fund for Nature, released a very important report called *Caring for the Earth*, a strategy for sustainable living.

This report says: "Humanity must live within the caring capacity of the earth or we deny the human future". This new book is both an analysis and a plan of action, if you like a user's guide to caring for the earth.

Caring for the Earth defines two basic requirements: to keep human activities within the earth's caring capacity and to redress the imbalances in security and opportunity between the richer and the poorer parts of the world. It is addressed in direct language to politicians, executives, business people, and citizens.

In order to achieve this, it states clearly that a global alliance is essential for success. This would involve strengthening international law, helping lower income countries, turning around the north-south financial flows, and strengthening international commitment and capacity to achieve sustainability.

You will know, Mr. Speaker, that later this afternoon you will host a reception acknowledging the importance of this publication. I urge all members to support it and to read it earnestly.

S. O. 31

MEN AGAINST VIOLENCE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I rise today to congratulate the organizers of this weekend's national conference on male violence, and to urge all men to support the very worth-while proposals coming from this gathering.

Men make up only 48 per cent of our population, yet we are responsible for 90 per cent of the violence. For too long now we have denied this problem, keeping silent and pretending it was a woman's problem if she was beaten. It is our problem and we are the perpetrators of the violence. We must work hard to stop it.

The conference produced some very tactical proposals. They include men's organizations, lobbying on behalf of women's shelters, a national pornography boycott and changes in our schools' curriculum to eliminate sexism and stereotyping.

The women of this country live in fear of male violence. In a country such as ours, we cannot and must not allow this to continue. Now is the time for men to speak out against this violence, and to do their part to make it stop.

* * *

BRITISH COLUMBIA ELECTION

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, last Thursday British Columbians elected the highest percentage of women ever to any Canadian legislature or Parliament, 26 per cent.

It is the first time in Canadian history that more than one quarter of a legislature is made up of women members, even though women are more than half the population.

We are looking forward to better days in British Columbia. We finally have a chance to establish firm roots of equality for women. Thirty-one per cent of the governing New Democratic Party caucus are women. It is a government of women and men committed to full social, legal and economic equality for women.

We are sweeping the country, and it is about time.

* * *

HOUSING

Mr. Doug Fee (Red Deer): Mr. Speaker, in these financially strapped times, we need creative thinking if young people are going to be able to afford to buy homes.

The Canadian Real Estate Association has been working diligently to come up with just such creative solutions. It proposed a plan where first time home buyers could have their registered retirement savings plan assume an equity share in their home.

Similar to the treatment of common stock held in an RRSP, the RRSP owned portion of the capital appreciation of the house would be taxable. Many young families may be willing to forgo the capital gains exemption on the share of their home owned by the RRSP in return for earlier home ownership and greater equity in the property.

The Real Estate Association has developed this proposal with input from industry members, financial institutions, consumers and government. I urge the Minister of Finance and his officials to give this proposal serious consideration.

Young families who are looking to buy their first home need this type of support.

* * *

YUGOSLAVIA

Mrs. Christine Stewart (Northumberland): Mr. Speaker, nations around the world are still deeply concerned at the internationally peace threatening conflict which is taking place in Yugoslavia.

Not only are we witnessing the horrible destruction of property and human life in Yugoslavia, but many fear that the racial tensions expressed there will spill over into other countries in the area.

Across this country, concerned Canadians are rallying to demonstrate for a peaceful resolution to the Yugoslavian conflict. In London Ontario alone, 400 demonstrated for peace in Yugoslavia this past weekend.

The Prime Minister has said that the UN must play a role. The Secretary of State for External Affairs has said that the international community must act, that we must induce Yugoslav parties to honour a cease–fire.

An embargo was suggested. Canada must not wait. It must lead the way and continually act until peace in Yugoslavia is achieved.

* * *

[*Translation*]

GUN CONTROL

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, I would like to mention an article published in *Paris Match* in October 1991, which is about violence, children and firearms in America.

According to the article, it is the new American disease, the biggest epidemic since AIDS. It is spreading in schools, classrooms and playgrounds. Not a single large city in the United States has been spared. According to the FBI, 2,162 children and teenagers were killed by gunshots last year, an average of six children per day. In a subway station in Greenwich Village, two 14 year–olds shot a high school student in the back to get her gold chain. In the Bronx, a 9–year old practises shooting from the window of his apartment and narrowly misses a woman in the apartment across the street. Every day, statistics show the extent of the massacre. Firearms have recently become the main cause of death among young people.

Mr. Speaker, I hope these few sentences will make people think, especially those who, naively or otherwise, favour the complete absence of gun control in this country.

* * *

• (1410)

[*English*]

ABORIGINAL LANGUAGES

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, if we are to say that language is about understanding one another, then today in this House the aboriginal people of Canada have been totally misunderstood and unappreciated.

The government authorities on the other side have deemed that the bill to establish an aboriginal languages foundation would be dropped from the Order Paper and not have unanimous consent to make it a votable bill.

It is serious when we realize that languages with fewer than 10 speakers in Canada are on the verge of extinction. Those with 10 to 100 speakers are extremely endangered. Out of the 53 aboriginal languages, only three languages have more than 5,000 speakers.

Could these people have not found it in their hearts to do the right thing and not to be confronted further on the constitutional end on this very vital issue?

* * *

CANADIAN LABOUR CONGRESS

Mr. Garth Turner (Halton—Peel): Mr. Speaker, Canadians deserve to have all of the facts about where their country is going, so I rise today to condemn statements made in a newspaper ad this past weekend by the Canadian Labour Congress and Action Canada. The ad said this government has a high interest rate policy. That is wrong. Today's prime rate of 9 per cent is the lowest in years.

The ad blamed free trade for the loss of 300,000 jobs. Wrong again. A continent-wide recession, a natural but regrettable economic cycle was largely to blame.

The ad said this government is not interested in advancing women in the work place. Absolutely wrong. The creation of permanent, full-time jobs for women has been a priority and an accomplishment.

This is the worst kind of political advocacy advertising. It seeks to distort the facts and foster confrontation which makes Canada uncompetitive.

Finally, I am curious as to why this ad uses American spelling instead of Canadian. Has the CLC been using Bob Rae's American advertising agency?

* * *

ABBY HOFFMAN

Mr. John Brewin (Victoria): Mr. Speaker, on Friday the government moved Abby Hoffman from her position as Director General of Sport Canada. She now has a senior planning position with Health and Welfare.

In her career so far, Abigail Hoffman has made an outstanding contribution to sport in Canada. She had a great career in track and field for Canada, qualifying three times for the Olympic finals in the 800 metres.

More important, in the last 10 years as Director General of Sport in Canada, she has shown leadership and a commitment to equality of access to sport, a commitment to excellence in sport to a strong professional administration of sport, and to a strong federal leadership in sport.

I hope this move by the government does not signal a lack of commitment by the government to these important achievements by Abby Hoffman. We congratulate her on her achievements so far and look to even greater things in the future.

* * *

NATIONAL HOMEMAKER/HOME SUPPORT WORKER WEEK

Mrs. Barbara Sparrow (Calgary South West): Mr. Speaker, Home Support Canada has declared this week of October 20 to 27, 1991, National Homemaker/Home Support Worker Week.

During this time, Canadians will have an opportunity to participate in numerous activities meant to increase public awareness of the homemaker and/or home support workers role in making Canada a caring nation.

These workers all across Canada provide a variety of services in their homes to people who truly need them; teaching young parents in crisis the necessary skills effectively to operate a home or providing assistance to persons living with AIDS. Those are just two examples of the many services they provide.

The value of home support services to seniors, persons with disabilities and families in crisis really cannot be ignored. One study found that 72 per cent of Canadians over the age of 85 have disabilities while 40 per cent of those between 65 and 84 also are considered to have disabilities. Seventy-two per cent of all persons with disabilities require assistance in their households to help with their chores and meal preparation.

Home support staff and volunteers are to be congratulated for their contribution and commitment to a better way of life.

* * *

MEN AGAINST VIOLENCE

Ms. Mary Clancy (Halifax): Mr. Speaker, I am very happy to rise in this House today to applaud a group of men who sponsored and held a conference this past weekend here in the nation's capital on violence, Men against Violence. It is heartening to see that these men are taking an active role in combating that problem which has darkened all our lives.

Indeed, we are approaching the anniversary of that day two years ago when a man with a gun murdered 14 women in cold blood because they were women.

Last week in a place called Killeen, Texas, another man with another gun walked in to a diner and 15 minutes later he and 22 other people were dead. Today the death toll has risen to 25. Fifteen of these victims were women.

The men at the conference this weekend undertook to help change in a fundamental way the attitudes that some of their brothers have about women. These attitudes have resulted in 40 per cent of the people in society committing 90 per cent of the violence against the rest.

The conference proposals included a commitment from those in attendance to lobby others to stop sexism, stereotyping and violence directed at women and children of all ages. Those at the conference believe that the participation of men is crucial to stopping male violence.

Mr. Speaker, I am sure all members of this House will join with me in congratulating the participants of this weekend's conference and also to join them in ending the silence.

* * *

PENITENTIARIES

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, while gathering information to support the application of Colchester county to attract a proposed facility for federally sentenced women, we have determined some disturbing disparities which have a very negative impact on the economy of rural and small town Nova Scotia.

There are 13,000 federal employees in Nova Scotia and 10,000 of these are in the Halifax–Dartmouth area. Although Halifax–Dartmouth has only 33 per cent of the population, it has over 75 per cent of the federal government jobs. This inequity is completely out of all proportion and every effort should be made to decentralize this employment around the province.

An excellent start would be for the Solicitor General to announce that the facility for federally sentenced women would be located in Colchester county. With 70 per cent of the inmates coming from rural areas, Colchester provides an excellent location and a positive community atmosphere to reinforce women as they move back into society.

Not only is Colchester the very best place for the facility, it will begin to correct the disparity in federal government jobs in Nova Scotia.

* * *

NATIONAL SCIENCE AND TECHNOLOGY WEEK

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, this week we celebrate National Science and Technology Week. The importance of science and technology cannot be underestimated, as these fields will be Canada's passport into the next decade.

This government sponsors many excellent programs in the field of education. One which comes to mind is the Canada scholarships. This program offers a wonderful opportunity for 2,500 outstanding men and women for undergraduate studies in science and engineering.

Encouraging students to venture into the fields of science and engineering is an insurance policy for all Canadians. Mr. Speaker, four of the recipients of this year's scholarships are from the riding of Wild Rose. I am proud today to congratulate all the recipients. Diligence has its rewards.

* * *

NOBEL PEACE PRIZE

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, a week ago today the Nobel committee in Norway announced that it was awarding the Nobel Peace Prize to Aung San Suu Kyi, Myanmar or Burma's opposition leader. While many of us who have supported the struggle of the people of Burma for democracy and justice rejoiced at this news, it is highly probable that Ms. Suu Kyi herself is unaware that she is the recipient of this prestigious award.

Ms. Suu Kyi has been under house arrest for two years now, following a bloody crackdown by the military government against the opposition movement in Burma. Despite her detention, she successfully led her party to an overwhelming victory in national elections in May, 1990.

The Nobel committee praised Ms. Suu Kyi for her non-violent struggle for democracy and human rights and for one of the most extraordinary examples of civil courage in Asia in recent decades. It is such courage that must motivate the policies on human rights of the Government of Canada.

I call on the Prime Minister to take a leadership role in condemning the systemic, gross and continuous violations of human rights in Myanmar. I am sure all members of the House would join in congratulating Aung San Suu Kyi for her courage and leadership.

ORAL QUESTION PERIOD

[*Translation*]

HUMAN RIGHTS

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, first of all, I want to welcome the Prime Minister back from his meeting of Commonwealth Prime Ministers. I would like to say that we appreciated his speeches on human rights, but according to Amnesty International, the Iranian government has jailed hundreds of opponents to the present regime. Torture is common in that country. While the Prime Minister was making his pretty speeches in Zimbabwe, the Minister for International Trade was in Tehran last month, to extend a one billion dollar line of credit to the Iranian government, which has been condemned by Amnesty International.

• (1420)

How can the Prime Minister reconcile what he said about human rights at the Commonwealth Conference with the one billion dollar line of credit extended to the government in Tehran?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition knows perfectly well there are distinctions to be made in international finance and direct aid to developing countries. For instance, despite the problem we have always had with certain major actions by the Chinese government, we still have trade relations with China. We are trying to sell wheat from the Canadian West, as we have been for the past 25 or 30 years, so there are some important distinctions to be made.

As far as protecting human rights is concerned, I announced the Government of Canada's policy in Africa last week, and I think it is a policy that stands on its own merits. It is the Canadian government's policy, and it is one that we intend to defend regularly, not just at Commonwealth meetings but also at the Francophone Summit and throughout the world.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, as he has just said in French, the Prime Minister is just back from the Commonwealth Conference in Zimbabwe where he talked a lot about human rights.

Yet at the very moment he was making these speeches about human rights, his government was busy sending back to Iran a woman who had been beaten 35 times with a steel cable because she was not wearing a veil. I want to ask the Prime Minister where is the government's so-called commitment to human rights?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, first let me say to the hon. member and to members in this House that the question he raises is a very serious and delicate one indeed.

He knows, as do all members, that the Privacy Act prevents me from going into detail—

Some hon. members: Oh, oh.

Mr. Valcourt: It prevents me from going into the details of this case.

I can advise the House however that the individual in question has had the benefit of the most generous refugee determination system in the world. This person has also sought intervention on the part of the minister on human and compassionate grounds.

With the information I have at this time concerning this case, I have indicated that I was not in a position to intervene. I am looking at the details of this case, as are my officials as we speak here, and when I have fully assessed all aspects of that claim I will be able to make a final determination. Contrary to certain media reports that person is not scheduled for deportation today.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I sometimes have a little difficulty in figuring out what this government thinks a refugee is. Last spring ministers were busy with the red carpet treatment from Ottawa to Vancouver for Al-Mashat and here is a lady who received 35 lashes with a steel cable. The minister says that he needs more information. It is in the file, Mr. Speaker.

I want to know from this government when it will do the right thing and not send that lady back to hell, but give her refugee status in Canada right away.

Hon. Bernard Valcourt (Minister of Employment and Immigration): I guess, Mr. Speaker, that the hon. member chooses to play on the repulsive side of what has taken place in the country of that person. It is easy to lose sight of the forest for the trees.

I have told the hon. member that I was looking at the case as we speak, that I was going to assess all of it and then make a decision. That decision has to be made within the framework of the Immigration Act. We have to look at the interest of Canada in making that decision also.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the same minister. The same minister will know that he has had several days to review an extremely extensive file on this woman.

In fact, his officials and his government took the position that even though this woman was taken from a private party, arrested, publicly flogged 35 times, and spent a month in hospital as a result of the flogging, according to affidavits which he has in his possession, the Canadian government has taken the position that this degradation was and I quote "not exceedingly harsh considering that she has not suffered permanent physical damage". The minister will note that is a direct quote from the file.

Is it the minister's position that women who are whipped with wire cables will only be allowed to stay in Canada if they have permanent scars from the whipping?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member just quoted the refugee determination board. She attributes that to the Government of Canada. She should stand up, apologize to Canadians and say that that decision was made by the refugee determination board. It was not the decision of the Government of Canada.

Some hon. members: Oh, oh.

An hon. member: You know better than that.

Some hon. members: Shame.

Mr. Speaker: The hon. member for Hamilton East.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this woman was thrown in the Hamilton jail last Wednesday night because this minister upheld the decision which he is now trying to dissociate himself from. The final decision lies in the hands of this minister.

I asked him last week if he would please reconsider and I ask him once again. Will he exercise his judgment and tell this woman and hundreds of others like her that they do not have to return to Iran after they have been publicly flogged and hospitalized to the extent that this woman was tortured by the Government of Iran? Will he tell her today as she sits under arrest by his officials now in Toronto?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, is the hon. member suggesting to this House that every time a citizen, not of Canada but of a foreign country, comes to Canada and seeks to be landed, because in his or her own country there is a law that that person does not like—and that it happens we also in Canada find repulsive—does that mean that just because of—

Some hon. members: Oh, oh.

Mr. Valcourt: Mr. Speaker, what I am trying to tell the House is that the decision to be made in this case has to take into account all of the factors. This is what I am doing.

• (1430)

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. I would first like to tell the Prime Minister that the policy of tying economic aid to human rights is laudable. I would suggest to the Prime Minister that he can now go further and act. Will he announce today that any aid from Canada, any economic support and any economic treaty will depend directly on respect for human rights?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in general, people seem to support the Canadian position that I articulated at the Commonwealth meeting—in particular, a statement by the Hon. Ed Broadbent, if I am not mistaken. One of the results is found in the Commonwealth communiqué today, which reads as follows:

[*English*]

"—having reaffirmed the principles to which the Commonwealth is committed—the protection and promotion of the fundamental political values of the Commonwealth, democracy, democratic processes and institutions which reflect national circumstances, et cetera; fundamental human rights including equal rights and opportunities for all citizens regardless of race, colour, creed or political belief; equality for women, so that they may exercise their full and equal rights".

What we were trying to do in the Commonwealth was to signal, as an important donor nation to the Commonwealth and elsewhere, that Canada, this government and its Parliament, will be guided in these decisions in future more and more by considerations of the manner in which these countries treat their own citizens; that human rights is a question of fundamental importance. It cannot be set aside. It is one that Canada is going to try and incorporate more and more with its allies and friends around the world into the general thrust of assistance to countries that seek to develop democracy in their own countries.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it is regrettable that the members of the Commonwealth did not totally get on board with the Prime Minister. As I said earlier in my first question, it is a laudable goal, I believe, to attach economic aid to human rights development.

I want to ask the Prime Minister a question in the leadership role that he is taking on this issue. We are now in the process of negotiating a trade deal with Mexico, a country that an Amnesty International delegation visited last year, interviewed dozens of people and said, and I quote: "These people had suffered or witnessed human rights violations, harassment, illegal detention, ill treatment, arbitrary killings, extrajudicial executions, disappearances and torture".

Given the leadership that the Prime Minister has said he is prepared to take on human rights, will he withdraw from the trade deal discussions with Mexico?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, since 1987 the cabinet meets to consider the question of human rights in regard to foreign policy decisions, particularly in regard to the question of the distribution of aid and assistance. Canada in this regard is the second highest granting nation of the G-7 countries and ranks with the top in the world. So our contributions in real dollars are not insignificant. We can have an impact if we do this in co-operation with friends and allies around the world.

It is generally acknowledged that President Salinas has made remarkable strides not only in modernizing his economy but in dealing with human rights abuses.

Mr. Barrett: Nonsense. Absolute nonsense.

Mr. Mulroney: I had the occasion two or three weeks ago at Stanford University to discuss this question with him and I am encouraged by his commitment to the elimination of human rights abuses which have taken place and his commitment to substantial improvements in the future.

Amnesty International makes an important contribution around the world and this is one of the factors that the Government of Canada considers when it makes its determination on aid at the end of every given year. With regard to the comments by my hon. friend from British Columbia about President Salinas, these I repudiate because President Salinas is widely recognized as a leader who is doing a great deal both to modernize his country and to respect human rights in all of its activities.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it is one thing to say that we are in support of human rights, but it is another thing to take the kind of direct action on behalf of Canadians that will demonstrate that we care about human rights in these countries.

I want to say to the Prime Minister that I am aware of the measures that the Mexican government has taken, but still international bodies such as America's Watch say: "The volume and severity of reported abuses in Mexico remains unchanged".

The Prime Minister said just this month that: "nothing in international relations is more important than respect for individual freedoms and human rights". I agree. Will the Prime Minister withdraw from the talks with Mexico on the basis that it is violating those very human rights he wishes to champion?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, for the simple reason that I do not accept the premise of my hon. friend. I do not question her sincerity, but I do not accept the premise.

What we are trying to do with the North American free trade agreement is to take a developing country and, through the combination of trade, principally trade but also some aid mostly of a technological and a technical nature, to raise the living standards of the poorest of Mexicans.

My hon. friend from the NDP says: "To lower ours." That is a socialist view, that you help poor people by lowering the revenues of the wealthy countries. That is exactly false. This government and this Parliament believes that the way you assist the poor is by opening your markets, by trading more liberally with them so that you raise the wealth and the individual well-being of individual Mexicans without impoverishing Canadians.

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[*Translation*]

FOOD BANKS

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, my question is for the Prime Minister. More than 25,000 households in Montreal now depend on food banks every month, an increase of 23 per cent since last year. Sid Stevens, director of Sun Youth, would like to see joint action by the three levels of government, at the highest level, and the food banks to discuss ways to end this situation. Will the Prime Minister undertake to initiate such a meeting as soon as possible?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I think that everything must be done to try to eliminate the need for food banks wherever they are in this country, although in our present circumstances, they are extremely useful for the people who call on them.

I think that the hon. member knows that last week, in cooperation with the Government of Quebec, we made an important announcement concerning Canadair. But I also said then that I intended very soon to meet with ministers of the Quebec government and representatives of the city of Montreal, and the meeting is scheduled, to coordinate the action that the federal government is taking and continues to take in Montreal.

I think that on the whole we agree that federal action, which is recognized in Quebec as ongoing in recent years, should continue so that the kind of problems to which my colleague refers can be avoided, and I fully agree with him.

[*English*]

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, Mr. Sid Stevens, Sun Youth's director, has extended a personal invitation to the Prime Minister to visit Sun Youth to talk about the lack of jobs, affordable housing and day care, which have made food banks the fastest growing industry in Canada.

I would ask the Prime Minister to visit Sun Youth to see for himself how serious the situation has become.

Will the Prime Minister reply promptly to this invitation and will he initiate a meeting between the three levels of government and the directors of food banks to obtain their perspective on how to put food banks out of business?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for the observation. I agree with his assessment of Sid Stevens and Sun Youth and the very good work that they do in Montreal. There are similar institutions that exist elsewhere.

We have an immediate problem and it is not an insignificant one.

• (1440)

I will be happy to look at the suggestion of my hon. friend. I think that all the donors and even the executive director and his colleagues would agree that while there is this important short term and immediate problem, the longer haul solution must be to continue the lowering of interest rates and to bring inflation down, as it came down last Friday to the lowest point that it has been since 1970, and to develop an economic recovery plan with low inflation, high investment and declining unemployment based on lower interest rates which comes about because of international investor confidence.

That is what we are in the process of doing. The results are encouraging, but I will acknowledge that my friend's suggestion is an interesting one, one that I will look at and report back to him.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is also to the right hon. Prime Minister on the same subject.

In metropolitan Toronto, food bank use has grown by 44 per cent. Yet, public donations have gone up by only 21 per cent, and $16 million worth of donated food will be distributed this year alone.

Why has the Prime Minister refused to visit the Daily Bread Food Bank to which he was invited in Toronto, the largest food bank in Canada, to see for himself where 2 million Canadians will get their food this year? What solutions does he have for the elimination of food banks in Canada, which are becoming permanent institutions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my friend again, no doubt with some consultation with my friend from Saint-Henri—Westmount, asks the larger question: What are we going to do to eliminate the food banks?

The year-over-year rate of inflation was 5.4 per cent in September, down from—

Mr. Keyes: Answer the question.

Mr. Mulroney: The Liberals ask a question, and when you begin to give a serious answer, they start to heckle. They do not want an answer.

Some hon. members: Oh, oh.

Mr. Speaker: The right hon. Prime Minister has the floor.

Mr. Mulroney: Our friends refuse to acknowledge it, but the fact of the matter is that—as I have indicated this may not appeal to a government that 10 years ago today had a prime rate of 22.75 per cent—it is down to 8.5 per cent today. Inflation was 12.9 per cent and it appears now it will be annualizing next year in the neighbourhood of 3 per cent.

Economic growth—

Mr. Speaker: The hon. member for Parkdale—High Park will put his question, please.

An hon. member: He did.

Mr. Mulroney: They raise a question of poverty. When we try to deal with the—

Mr. Speaker: The hon. member for Parkdale—High Park.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, it is the policies and the uncaring attitude of this government over the last seven years that have driven this country to a food bank economy.

The burden of feeding Canada's most vulnerable people has been refused by this government and has been dumped on to charitable organizations. Will the Prime Minister do something positive to help the poor and the needy by removing the cap on the Canada Assistance Plan today?

Mr. Andre: Do you want us to raise taxes or increase the deficit?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the number of low income Canadians declined by 1 million over the 1984-89 period.

As a result of changing the personal tax system, 850,000 low income Canadians, including 245,000 seniors, had their income tax reduced to zero. In 1991, $2.4 billion will be paid out to 8.6 million low and middle income tax filers as a result of the GST tax credit. The child tax credit was increased by almost 50 per cent since 1986.

In co-operation with the creation of 1.4 million new permanent jobs in Canada, a low inflation rate and high investment figures is the way that we must go to eliminate poverty in Canada. It cannot be done artificially. It cannot be done like the Liberals tried to do it, by printing or borrowing money. It must be done by sustained economic growth, by adherence to firm and reasonable fiscal policies that inspire confidence and growth. That is what is taking place and that is what we are going to do.

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HUMAN RIGHTS

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, in my hand I have two documents published by Amnesty International. One is dated September 1991. Both of these documents refer to human rights violations by way of torture in Mexico. The recent document in September of this year categorically states that the moves by the President of Mexico have been a failure and human rights violations by torture have continued to this date. This document gives chapter and verse September this year.

The Prime Minister said and I quote: "Nothing in international relations is more important than respect for individual freedoms and human rights". How does the Prime Minister avoid the accusation of hypocrisy in continuing to sit with Mexico while these—

Mr. Speaker: Just a minute. There are a lot of ways to use words that have been held to be unparliamentary and that was another way of doing it. I know that the hon. member would want to put his question without an accusation that is unparliamentary.

Mr. Barrett: All right, Mr. Speaker. I ask the Prime Minister, will he convey to the President of Mexico his newfound standards of human rights behaviour and apply it to his sitting at the table with Mexico as he gives lectures to other countries in the world?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is going to have to make up his mind. His leader has just complimented the government for the position we have taken and my hon. friend seems to be in a disagreement with it.

Mr. Barrett: Why not apply it to Mexico.

Mr. Mulroney: Make up your mind. Do you support the government on this or don't you?

Mr. Barrett: Why are you being a hypocrite?

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member for Esquimalt—Juan de Fuca has put a question and the right hon. Prime Minister is answering it. I give the floor to the right hon. Prime Minister.

Mr. Mulroney: Mr. Speaker, I find it difficult to ascertain who is really speaking for the NDP on this important matter. I have articulated a position on behalf of the Government of Canada that is one we think is appropriate and helpful.

I know my hon. friend has really got a bee in his bonnet about Mexico. He really does not like Mexico and he really does not like Canada—

Mr. Speaker: Perhaps the hon. member for Esquimalt—Juan de Fuca will put his second question.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, does the statement made by the Prime Minister regarding human rights recently uttered by him at the Commonwealth apply to Canada's relationships with Mexico?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we do not have with Mexico the kinds of relationships to which my hon. friend referred on the declaration of—

An hon. member: A $700 million line of credit.

An hon. member: When were you against selling wheat to the Soviet Union?

Some hon. members: Oh, oh.

Mr. Mulroney: I have already indicated that I have had conversations with the President of Mexico. There is general recognition that President Salinas is doing some pretty impressive things in regard both to modernizing his country and improving the human rights situation. I think he should be encouraged for that.

If we take my hon. friend at face value today on the floor of the House of Commons, the implication of what he has said means that we would terminate all our activity to sell wheat to the Soviet Union today, that we would terminate our billion dollar contract and lines of credit with China because of human rights violations there. In other words, Canada would cease to exist on a commercial basis.

Mr. Barrett: Why are you being a hypocrite?

Mr. Mulroney: The only hypocrite here, Mr. Speaker—

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member for Willowdale.

* * *

THE ECONOMY

Mr. Jim Peterson (Willowdale): Mr. Speaker, in terms of the Tory economic record of which the Prime Minister spoke so glowingly, last month Canada lost 24,000 jobs in its retail sector. At the same time as this happened cross-border shopping has sky-rocketed. It is up a staggering 58 per cent and many communities are being devastated.

• (1450)

Will the Minister of Finance at least admit what every Canadian shopper knows; that his high tax, high dollar policies are hurting Canada and are helping the United States.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): I am sure the hon. member would be happy to note that 65,000 new jobs were created last month which brought the unemployment rate down from 10.6 per cent to 10.2 per cent. I think that is really a step in the right direction.

Some hon. members: Hear, hear.

Mr. Mazankowski: Mr. Speaker, interest rates are going down, not going up. Interest rates are at the lowest level they have been in 13 years. The Gross Domestic Product is growing, it is not receding. The composite leading indexes are trending in the right direction. The merchandise trade is going up, not going down. The unemployment rate, as I said, is going down, not going up. Housing starts are up, not down.

With respect to the retail sales to which the hon. member referred, he is talking about August figures which were affected to a large extent by a drop of 6.1 per cent in motor vehicle sales. However, the September figures show there has been an increase in motor vehicle sales by 11.4 per cent so that is stale-dated information.

Mr. Jim Peterson (Willowdale): Mr. Speaker, Canadians and particularly Canada's unemployed are not impressed with this government's economic record. All is not rosy. For example, Statistics Canada just reported that retail sales fell 1.3 per cent, the biggest drop this year.

The minister's high dollar, high tax policies are driving Canadian shoppers, Canadian jobs and Canadian hopes south of the border. Will this government act today to stop this self-inflicted haemorrhaging that is hurting Canada so badly?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I just indicated in answer to the hon. member's question that the retail sales figures for August were lower because of the decline in automobile sales of some 6.1 per cent. In September we have shown a very important increase of 11.4 per cent in motor vehicle sales so that the data which the hon. member is referring to is really stale-dated.

I should also draw to his attention the fact that the merchandise trade balance rose $8.1 billion at an annual rate to $13.5 billion in August. That would not signal to me that we are losing trade but that we are gaining trade.

In other words the trade figures are going in the right direction, just as the employment figures, just as the interest rate figures, just as the inflation figures. That is the key to sustainable development, sustainable growth at low interest rates and with price stability.

* * *

MONTREAL

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the minister for health. According to reports last Friday, the minister finally recognized that 600,000 people now live below the poverty line in Montreal and he said that new measures were urgently needed to halt the area's economic decline and to promote high-growth sectors.

Coincidentally, Mr. Speaker, these are the same words found in our opposition resolution of June 4.

Nevertheless, I want to ask the minister what specific new measures does he have in mind for Montreal? What in fact is he proposing for us in that city?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, first of all, I am sorry but I do not read opposition resolutions.

Second, what I said last week is that I am in touch with the government of Quebec to look at the possibility of having discussions about industrial development in Montreal, tourism, and of course, forestry for all provinces. We have always admitted that there were problems in Montreal and we continue to say that. We put forward, in collaboration with the minister responsible for Montreal, a program for southwest Montreal and east Montreal which worked very well. I think that people in Montreal know that we are trying to do what should be done.

However, I believe we need collaboration with the province of Quebec. It is what we do. We need leadership; it is what we are trying to give. We believe we are coping with the problem. It is a big problem. It is a 20-year old problem. Unfortunately, he should have looked at them when he was in power, Mr. Speaker.

[*Translation*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, according to officials in Montreal, there are now 15,000 homeless people living in the streets of that city, many of whom are untrained, unemployed young people. Is the minister prepared, in his discussions with Quebec, to develop not only an economic plan for Montreal but also a social plan to help those people?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, two things: First, we co-operate with the City of Montreal as we do with all the provinces, and in this instance, with the Province of Quebec, on the sharing of social services in Quebec. Second, I think that the best way to help those people, as the hon. member knows very well, is first and foremost to try to find jobs for them.

I think that the hon. member will agree with me, particularly as regards Canadair, where the number of jobs has risen from 4,500 to 8,200 since we privatized this company. That is still the best way to create job opportunities for Montrealers and to cope with the social problems to which my hon. colleague refers.

* * *

[*English*]

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Prime Minister.

Last week the Nobel committee awarded the Nobel Peace Prize to the courageous Myanmar leader, Ms. Aung San Suu Kyi, who has been under house arrest for over two years at the hands of the brutal regime there.

Given the Prime Minister's stated commitment to human rights, I want to ask him to apply that in two concrete ways. First, will he take action to ensure that the Government of Canada, which is an 80 per cent shareholder in Petro-Canada International, stops all involvement in Myanmar. Second, will he ensure that the Minister of Agriculture, who will be visiting China later this week, will urge China in the strongest possible terms to stop its sales of arms to the repressive regime in Myanmar.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to the second point, that has already been attended to. In fact, prior to coming down, I made arrangements to speak with the Minister of Agriculture, who is in Japan en route to China, on precisely some of the matters raised by my hon. friend and a few other things.

With regard to Petro-Canada International, I would have to take a look at his suggestion. I think we have already wound that up. I may be wrong but I will check into that. My colleagues say that is correct, that it has already been wound up, and so we could not use that vehicle. It has already been done.

Mr. Svend J. Robinson (Burnaby—Kingsway): A supplementary question, Mr. Speaker.

The Prime Minister indicated earlier during Question Period that cabinet has met on a number of occasions to consider human rights considerations in granting aid and financial assistance.

I wonder if the Prime Minister would now explain how he can defend the granting by his government of a $1 billion line of credit to Iran, a country which has revolutionary guards flogging with metal cables women who refuse to wear a veil and which, according to Amnesty International is responsible for very serious violations of human rights with torture, detentions and executions?

I want to ask the Prime Minister, will he now practice what he preaches to other Commonwealth leaders and ensure that this $1 billion line of credit to Iran is not proceeded with. Will he show genuine respect for human rights, for the people of Iran?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not trying in any way to be coy, but I ask my hon. friend to remember that the statement I made is in regard to the aid giving and granting capacity of Canada in regard to the international community. That is what it was limited to.

Canada has commercial relations, ongoing trade relations with many countries, even though we, from time to time, have serious disagreements with them about policies that they have at home. In 1989 there was the situation with China, by way of illustration. Do I take as a corollary of my hon. friend's suggestion that we terminate all financing of grain purchases by China from western Canada. Do we terminate it today, because we have very serious disagreements with human rights questions in the Soviet Union?

For example, in the Ukraine, prior to a few months ago, do we terminate commercial arrangements there?

Mr. Robinson: What about Iran?

• (1500)

Mr. Mulroney: My hon. friend is now making a distinction between the Soviet Union, China and Iran. With regard to the case that was raised today by my hon. friend, I do not have to tell my hon. friend how offensive and repulsive and repugnant this kind of attitude or development is. The minister has already indicated that he is going to review this case very carefully in light of this. With regard to China, where we have had disagreements, with regard to the Soviet Union and other countries including Iran, we maintain commercial relations.

This is something we may want to review here in the House of Commons, but it remains a distinct and ongoing policy of the Government of Canada and has been for 50 years.

* * *

AGRICULTURE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in the absence of the Minister for International Trade, I shall direct my question to the Prime Minister.

Recent German proposals to transform existing agricultural subsidies into direct income support for European farmers may pave the way for a breakthrough in the current Uruguay round negotiations, but they will raise serious questions about the future of Canada's supply management system under the GATT.

Does the government guarantee to preserve Canada's supply management system, whatever the pressures in the Uruguay round, to change existing practices?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not sure that the position the Germans seem to be taking with respect to de-coupling agriculture support from production would lead to the conclusion that the hon. member has suggested.

The position of Canada has been very clear. It has been a position that has been developed in very close consultation with the agricultural community and with provincial governments. That has been stated over and over again, and restated by the Minister of Agriculture, the Minister for International Trade, the Minister of State for Agriculture, and Canada's position with respect to our over-all position at the GATT negotiations remains the same. That is specifically referring to article XI. We are advocating not only the clarification but the strengthening of article XI and we have a fair amount of support within the GATT community to support that position.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, as the minister knows, the massive grain subsidies in Europe and in the United States have seriously eroded the income of Canadian grain farmers. Does the government believe that it can win reductions in such grain subsidies and at the same time withstand European and American pressures to change Canada's supply management practices? Is that what the minister is saying?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the European community chooses to de-couple its agricultural support from that of production, and in other words provide income assistance rather than tying the subsidies and the incentives to production, then we will be on a pretty equal playing field. That is precisely what we have been attempting to do through the Gross Revenue Insurance Program and the Net Income Stabilization Account. These programs are not directly coupled to production, but they provide a measure of income assistance to the agricultural community. I might say that there is $1.5 billion that is going to be flowing to the agricultural community between now and Christmas, and another $1.1 billion after Christmas, in addition to the $800 million that was announced just the other day. That works out to about $40 an acre net in the hands of the agricultural community. I think that is pretty generous. I also think that it is done in a way that would—

* * *

RAIL BARRIERS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Transport. Again, I am asking for rail barriers at the rail crossing at Stewiacke, Nova Scotia. This crossing has resulted in 13 deaths and injuries over the years. For decades people have been demanding the barriers. The barrier gates were recommended by the Canadian Transport Commission 15 years ago. They still are not there.

In September the minister indicated he might have a favourable answer shortly. Does he have that favourable answer?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, again I congratulate the member for his concern about this important problem. I want to assure him that I, too, am very concerned. I am awaiting from my officials the report that I mentioned to him earlier. As soon as I have it, I will be in contact with the member.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): I have a question for the Minister of Fisheries and Oceans. He would be aware that his fisheries aid package is getting some pretty rough reviews, particularly from the many people in Lawn and Melrose in Newfoundland and Glace Bay, Nova Scotia, who do not meet the terms and condition of the package.

The minister has also said publicly that the amounts may not be adequate. I wonder if the minister would now undertake to end the misery for those thousands of people, make some adequate funding available for the program, and redraft the program so that it can be available in time rather than in five to eight weeks from now for the people it is suppose to help. Would he redraft it and make it available now so that it can end some of that misery for them?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, this is a $39 million program which together with the $18 million ice compensation program is the largest amount of money ever put into a catch failure or emergency situation in Atlantic Canada.

There are not thousands of people who cannot get on job creation programs. They are about to start. I checked with my colleague's department before coming into the House. Money is being transferred to the Newfoundland offices so the program can begin immediately. Liberal MPs can stop their rumour mongering and suggesting that there is no money there. They do a disservice to those people who are anxious about this.

It has been suggested in the House and on the radio that there is not sufficient money. I am advising the House now that money is being transferred down. There is more than adequate money.

With respect to whether or not a person qualifies, the rules are generous and anyone who can show a reasonable connection to the fishery or to being a plant worker is going to be assisted, or my name is not John Carnell Crosbie.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of Mr. Petru Marculescu, Romanian Minister of Agriculture.

[*Translation*]

Mr. Berger: Mr. Speaker, I have a question of privilege which relates to comments made by the Minister of Health during Question Period. The minister may not read opposition motions, but he doesn't have to brag about it.

Mr. Speaker: Perhaps, but that is not a question of privilege.

* * *

[*English*]

POINT OF ORDER

WITHDRAWAL OF COMMENTS

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I rise on two points. The first one is that I wish to withdraw the accusation I made about the Prime Minister, and I hope the House accepts my apology.

* * *

THE LATE REVEREND SANDY NICHOLSON

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I also rise on some sad news about the death of a former member of this House, a pioneer of the CCF Party, the Reverend Sandy Nicholson.

Reverend Nicholson served in this House for four terms. He was a Christian Socialist. He was United Church minister who left the pulpit in furthering his view of the cause of social justice.

Reverend Nicholson was the founder of one of the first co-op farming institutions in Saskatchewan. Along with an early Jewish community in Saskatchewan known as Eden Bridge, Reverend Nicholson started a parallel co-op farming institution in that province.

Reverend Nicholson was incredibly noted for his sense of humour, his tremendous capacity for kindness and being a tough bulldog of a fighter, but most of all he is best remembered for the fact that he as the minister of health in the province of Saskatchewan introduced the first socialized medical care plan in North America, against the struggle of political opposition from all the other political parties.

Today all those parties now support this socialist program. If not, you can rip up your medicare cards. Nonetheless, I want to say that his passing after 91 full years of life is a day with a touch of sadness but also with a touch of joy as he was truly a Canadian hero.

• (1510)

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, we in this party wish to associate ourselves with the words already said about the late Sandy Nicholson.

For most of the 1940s and the 1950s Sandy Nicholson was a distinguished member of this House and a respected voice on behalf of the less fortunate in our society. Even after serving four terms in the House of Commons, Sandy Nicholson had yet to make his most notable contribution to Canadian public life and to the Canadian public policy process.

In 1960 he entered the Saskatchewan cabinet and sponsored the legislation that brought into being Canada's first medicare plan. In less than 10 years after this beginning medicare has become a national institution. What a crowning touch for a political career. Sandy Nicholson lived a long and very productive life.

We on this side of the House extend our condolences to his children, his grandchildren and his great-grandchildren.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, on behalf of members of the government side of the House I am pleased to rise as well to pay tribute to Reverend Sandy Nicholson.

Sandy Nicholson ran in this Parliament and existed as a member of this House, as has already been said, roughly from the year 1940 through to 1957. He was successful in some four elections to the House of Commons and, as has already been mentioned, has made a tremendous contribution to the life of Canadians.

He was particularly noted for his concern for people who suffered poverty and for his active work not only in his province of Saskatchewan, but throughout the country as well.

I understand that he is survived by three children, nine grandchildren and four great-grandchildren. On behalf of members of Parliament on all sides of this House, we express to them our sorrow. Our thanks to them for having shared him with the Canadian public and the Canadian people.

Also we would like to say that he has had a tremendous impact on the country. He has had a tremendous influence on what has happened in this nation. I am sure that his friends like Stanley Knowles, who was very active in participating with Mr. Nicholson, can say with all of us that he will be missed. We are thankful for his contribution and we express to his family our sincere sympathies on his passing.

GOVERNMENT ORDERS

[*Translation*]

EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-10, and Act to amend the Excise Tax Act and the Excise Act, as reported without amendment by Legislative Committee F.

Madam Deputy Speaker: Pursuant to Standing Order 45(5)(*a*), the House will now proceed to the taking of the deferred division on the motions at the report stage of Bill C-10, an Act amend the Excise Tax Act and the Excise Act.

The first question is on motion No. 1 standing in the name of Mr. Speller. Call in the members.

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

(*Division No. 46*)

YEAS

Members

Ferguson	Speller—2

NAYS

Members

Allmand	Andre
Angus	Blaikie
Brewin	Caccia
Darling	de Cotret
Dingwall	Epp
Gardiner	Gauthier
Gray (Windsor West)	Hunter
Langdon (Essex—Windsor)	Lapierre
MacDonald (Rosedale)	MacLaren
Mazankowski	McCurdy
Murphy	Parker
Riis	Rocheleau
Stupich	Tremblay (Rosemont)
Venne	Waddell—28

PAIRED MEMBERS

Blais	DeBlois
Jordan	Karygiannis

Madam Deputy Speaker: I declare the motion lost.

The next vote is on Motion No. 2 standing in the name of Mr. Speller.

Mr. Gagliano: Madam Speaker, I think that the House will unanimously agree to let the result of the just taken apply to Motion No. 2.

Madam Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

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

(*Division No. 47*)

YEAS

Members

Ferguson	Speller—2

NAYS

Members

Allmand	Andre
Angus	Blaikie
Brewin	Caccia
Darling	de Cotret
Dingwall	Epp
Gardiner	Gauthier
Gray (Windsor West)	Hunter
Langdon (Essex—Windsor)	Lapierre
MacDonald (Rosedale)	MacLaren
Mazankowski	McCurdy
Murphy	Parker
Riis	Rocheleau
Stupich	Tremblay (Rosemont)
Venne	Waddell—28

PAIRED MEMBERS

Blais	DeBlois
Jordan	Karygiannis

Madam Deputy Speaker: I declare the motion lost.

The next vote is on Motion No. 3, standing in the name of Mr. Speller. Does the House unanimously agree to allow the result of the first vote to apply to Motion No. 3 as well?

Some hon. members: Agreed.

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

(*Division No. 48*)

YEAS

Members

Ferguson	Speller—2

NAYS

Members

Allmand	Andre
Angus	Blaikie
Brewin	Caccia
Darling	de Cotret
Dingwall	Epp
Gardiner	Gauthier
Gray (Windsor West)	Hunter
Langdon (Essex—Windsor)	Lapierre
MacDonald (Rosedale)	MacLaren
Mazankowski	McCurdy
Murphy	Parker
Riis	Rocheleau
Stupich	Tremblay (Rosemont)
Venne	Waddell—28

PAIRED MEMBERS

Blais	DeBlois
Jordan	Karygiannis

Madam Deputy Speaker: I declare the motion lost.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that the bill be concurred in.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to

Madam Deputy Speaker: When shall the bill be read the third time? By unanimous consent, later this day?

Some hon. members: Agreed.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I rise on a point of order. I would like to designate tomorrow an allotted day.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to nine petitions.

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

* * *

• (1540)

PETITIONS

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is an honour to present a petition on behalf of a number of constituents from Kamloops, British Columbia who are concerned about the support for the Royal Canadian Mounted Police.

They urge the Government of Canada to maintain full funding to enable them to fulfil their mandate adequately.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): On another unrelated matter, Madam Speaker, pursuant to Standing Order 36 I present a petition on behalf of residents from Little Fort, McClure, Kamloops, Clearwater, Barriere and Darfield, British Columbia.

They are concerned about a proposal to dam the North Thompson River at Valemount in an effort to divert water into the San Diego, California area. This plan is presently with a company on the Vancouver stock exchange.

They are asking that the Government of Canada state categorically that it will not permit freshwater rivers to be dammed and diverted into the United States and state simply that Canadian rivers are not for sale.

ABORIGINAL LANGUAGES

Ms. Ethel Blondin (Western Arctic): Madam Speaker, pursuant to Standing Order 36, I am pleased to present to the House a petition from the First Nations of Canada on the issues of aboriginal languages, linguistic equality and the justice they hope to achieve.

First, the petitioners ask for the recognition of the 53 distinct, living and vital aboriginal languages, representing 11 linguistic families.

Furthermore, the petitioners call upon Parliament to fulfil its responsibilities to the citizens of the First Nations and aboriginal peoples in Canada by taking immediate steps to recognize the right to use, preserve and enhance aboriginal languages in the Constitution of Canada.

[*Translation*]

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I have the honour to present a petition from residents of Joutel, Vassan, Val-d'Or and Amos, concerning preventive withdrawal. Your petitioners request that perventive withdrawal for pregnant women be made a desirable and necesary option for women in the workplace. Your petitioners humbly pray and call upon Parliament to consider, during the review of the Canada Labour Code, the deficiencies of this legislation and recognize the need to include clauses on the preventive withdrawal of pregnant women, with pay.

GUN CONTROL

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I have another petition which concerns firearms. Your petitioners are from Cap-aux-Meules and the Îles-de-la-Madeleine, and they respectfully submit that access to firearms is a critical factor in cases of homicide, accidents and suicide. Many types of weapons readily available in Canada are not needed for legitimate purposes such as hunting and competitive shooting, and your petitioners humbly pray and call upon Parliament to pass legislation that would prohibit possession of firearms by any person with a criminal record.

[*English*]

COLLECTIVE BARGAINING

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, it is my pleasure, pursuant to Standing Order 36, to present two petitions today: one of 119 signatures and one of 145 signatures.

They relate to the present government's policy on wage freezes in the Public Service. Again the petitioners humbly pray that this House will ask the Conservative federal government not to take away the collective bargaining rights of workers across Canada, threaten them with job losses and contracting out, interfere with conciliation and arbitration and legislate employees back to work as it has been doing on numerous occasions.

The petitioners also humbly pray and call upon Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers.

DIVORCE ACT

Mr. Doug Fee (Red Deer): Madam Speaker, it is my pleasure to present a petition to this House on behalf of several Albertans that has been certified correct as to form and content pursuant to Standing Order 36.

The family is the cornerstone of our society. The responsibility toward family members extends beyond one generation. My grandparents contributed much to my development. My life and many others were enriched by the relationship with our grandparents and yet not all children have that opportunity. At present there is no provision in the Divorce Act or in any other federal legislation to provide a right for grandparents to have access to their grandchildren.

These petitioners humbly pray and call upon Parliament to amend the Divorce Act of Canada to include the following provision: that in no case may the father or mother, without serious cause, place obstacles to personal relations between a child and his grandparents.

ROYAL CANADIAN MOUNTED POLICE

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, many Canadians are concerned about the growing crime in Canada and feel in danger. Canada has always been a peaceful country but there has been an increase in crime.

I have a petition from residents of Kamloops and other parts of British Columbia, and residents of my own riding in Port Moody—Coquitlam in which they pray that the government considers giving proper funding to the RCMP, a Canadian institution, so that it can fulfil its mandate and role as the only visible police force for communities across British Columbia, and remain as a viable symbol of Canadian unity and a strong force to prevent this growing crime in Canada.

Mr. Angus: Madam Speaker, I wish to raise a point of order under petitions. As you are aware, the government is required to respond to petitions that are tabled in this House.

I have before me a response dated September 16, 1991, petition No. 3430255, regarding petitions relating to the back-on-track campaign for Via Rail.

The answer that the government continues to give this House is the answer prepared three years ago for a different kind of petition related to Via Rail, calling on the government not to decimate it.

I would ask the Chair to review the appropriateness of government recycling answers that really do not relate to the petitions being tabled in this House.

Mr. Cooper: Madam Speaker, I appreciate the hon. member drawing this to my attention and I can assure him that we will check into the information he has laid before the House and do everything possible to make sure that his constituents and others receive a proper response to their petitions.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos. 6 and 120.

[*Text*]

SUMMIT CONFERENCE ON TRANSLATION IN CANADA

Question No. 6—**Mr. Bellemare:**

1. With respect to the Summit Conference on Translation in Canada which was cancelled on March 8, 1991, (*a*) how much

money was spent prior to its cancellation (*b*) what was the cost of cancelling the conference (*c*) are there any financial credits being held should this conference be reconvened later in 1991 and, if so, in each case, under which accounts will it be funded?

2. Was there an outside source of funding for this conference, and if so, what was the share for (*i*) government (*ii*) outside source?

Hon. Robert R. de Cotret (Secretary of State of Canada):

1. a) $106,844.83*

b) $25,370.33**

c) No financial credits are being held in 1991–1992.

2. No. The only other credits were to come from registration fees.

* This amount includes all the material related to the themes of the Summit Conference. This product can be used in connection with activities similar to the round tables which had been planned for the Summit Conference—for example, at the next symposium of the Canadian Association of Schools of Translators and at the conferences of the professional translation associations.

** This amount includes the cancellation fees for blocks of hotel rooms, cancellation of the management contract for the exhibitors' hall and the cancellation fees for the rooms in the conference Centre.

Question No. 120—**Mr. Dionne:**

Has the Minister of Supply and Services made renovations or improvements to his House of Commons office and, if so, in each case (a) who received the contract (b) what was the nature of the contract (c) what was the total cost?

Hon. Paul Wyatt Dick (Minister of Supply and Services): The Department of Supply and Services has not made any renovations or improvements to the Minister's office at the House of Commons.

This answer is consistent with the reply to Order Paper Question No. 469 answered on March 27, 1991.

[*English*]

Madam Deputy Speaker: The questions as enumerated by the parliamentary secretary have been answered.

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

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

Hon. Jake Epp (for the Minister of Finance) moved that Bill C–10, an act to amend the Excise Tax Act and the Excise Act, be read the third time and passed.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, this bill contains the legislative amendments to implement the increases in the excise tax and duties on tobacco products and the taxation of inventories of these products that were announced in the February 26, 1991, budget.

These tax measures will reinforce the government's national strategy to reduce tobacco use, a comprehensive plan designed to encourage smokers to quit and discourage other Canadians, particularly young people, from taking up smoking.

This national plan includes a wide range of initiatives in such areas as the placing of bans or restrictions on smoking in work places and common carriers under federal jurisdiction, the introduction of prominent health warnings on tobacco product packages, and health promotion and community support activities.

• (1550)

As part of the comprehensive strategy, we have also implemented programs to assist tobacco growers who wish to diversify or leave the industry altogether. These programs have played an important role in the orderly downsizing of the tobacco industry.

I might add, as a former smoker who decided to quit when cigarettes became $1 a pack back in 1979, which relatively speaking is not long ago, I can attest to the cost of the product in forcing one to quit smoking. This has a great deal to do with that.

[*Translation*]

Madam Speaker, this strategy has proved itself most effective in inducing Canadians to cut down on their smoking. Since 1986, sales in Canada of cigarettes and fine-cut tobacco have dropped by more than 20 percent. It is expected that use of tobacco products will drop again this year and next year, as a result of the tax increases under this bill.

[*English*]

The increases in the taxes on tobacco products include a 3 cent per cigarette or $6 per carton increase in the excise tax on cigarettes and a proportional increase in the excise levies on other tobacco products. As well, tobacco sticks will now be taxed on a per unit basis and the excise tax and duties set to equalize those in fine cut tobacco for roll-your-own cigarettes. These changes all were effective on February 27, 1991.

The bill also ensures that the tobacco tax increases are applied in a consistent manner at different trade levels by applying the excise tax increases proposed in the budget to the tobacco inventories held by wholesalers and retailers at the time the new rate takes effect. However, to simplify compliance for small and medium-sized retailers, the tax on tobacco inventories did not apply to the first 1,000 cartons on hand in the retail outlets at the beginning of February 27, 1991.

Together the changes in the taxation of tobacco will raise an estimated $1.4 billion in the 1992-92 fiscal year, declining to $980 million by the 1994-95 fiscal year. These additional revenues will make an important contribution toward restoring fiscal stability in this country.

I might point out that it is an area in which we are projecting declining revenues over the next few years because we expect that it will have a very great effect on tobacco use in this country, especially with young people. It is estimated, not by the government but by those in the health care field that this tax will prevent an additional 100,000 young people from starting to smoke. Personally, I hope the figure is much higher, that it prevents all young people from starting to smoke.

It was a mistake that I made as a youth and one that I know had I not quit would have damaged my health because that had already started. They say there is nothing worse than a reformed anything because once reformed they love to preach. This is one already in which, although I try not to be obnoxious in my preaching, I do advise all young people never to start and those who have started to try and quit. I know how tough it is to quit because I have gone through that.

My colleague from Winnipeg North has suggested that by way of amendments we earmark where the revenue goes, how we channel the revenue. Those amendments were ruled out of order, and rightfully so. Some of the initiatives were assistance to tobacco producers, health promotion and education, as well as care for people with smoking-related illnesses.

The government has already implemented a successful strategy. I say successful because we know that tobacco consumption has dropped rather dramatically in the last few years.

Furthermore, while the government has earmarked taxes such as the goods and services tax, which by legislation will go to service the debt and eventually start paying back the debt, it is just in exceptional circumstances that we do that because the earmarking of tax revenues constrains the government's flexibility in responding to changing needs. Particularly over time, earmarking can easily result in the over or underfunding of the selected areas and, of course, we would not want to see that.

As well, a number of amendments were proposed that would have effectively rolled back the substantial tax increases contained in the bill. While the House did not adopt any of these motions, hon. members may rest assured that I have noted all their comments and will take them into account when we are considering further tax changes.

In conclusion, this is an important bill. It will raise substantial revenues which will serve to reinforce the government's plan for economic recovery, a plan designed to help achieve a strong and prosperous Canada, and it is also a key element to the government's strategy to reduce the consumption of tobacco in Canada and

protect Canadians, particularly young Canadians, from the very serious health hazards of smoking.

I encourage members of the House to give swift passage to this bill so that it may become law and we can get on with some other matters that are facing the House today.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I am pleased to speak again on Bill C-10, an act to amend the excise tax.

When I spoke on this bill about four months ago during second reading, I indicated the importance of this bill. It is a bill to protect the health of Canadians, of smokers that they may quit smoking, and of those who have yet to learn to smoke not to start the habit.

Since four months ago when I spoke on second reading of this bill an estimated 12,800 Canadians have died from causes related to smoking. They have died from lung cancer, obstructive lung diseases, heart diseases and, shamefully, some of the victims were infants born too weak to survive.

The newborns perished because of the tobacco chemicals that crept from the body of the mother into the body of the child while still in the mother's womb.

I am sure all Canadians, as I am, are sickened by this waste of human life. If taxes will stop some of the harm, some of the travesty of human life, then I believe in the taxes being increased on tobacco and I therefore support this bill.

But taxes without amendments specifically tailored for health and the general well-being of Canadians naturally give me some concern. I feel they represent a callousness and insincerity on the part of this government. It will not go one step further and assure Canadians that this bill is truly a bill to help stop smoking and prevent the non-smokers from starting the habit.

Hence, I see that this bill only constitutes a partial solution, a partial component, to the over-all strategy. But I support it as well because I still believe that we can persuade the government, perhaps through some other mechanisms such as writing to ministers, to earmark more funds for health.

The minister in his presentation of the bill indicated that he was against earmarking. If I may quote him, he says: "The earmarking of tax revenues constrains the government's flexibility to respond to changing needs", and that over time earmarking can easily result in the over and underfunding of selected areas.

• (1600)

That is not a valid argument to not support earmarking. In the document produced by the Canadian Tax Foundation *Charging for Public Services; A New Look At an Old Idea*, there is a beautiful paragraph about earmarking. I would mention the strong argument, the two principal arguments, why we can earmark funds such as this revenue for specific programs.

The first argument that has been proposed in favour of earmarking funds, and I quote: "it provides a means in certain circumstances of implementing the benefit principle, which in turn is appealing on both equity, and especially efficiency, grounds".

I ask this government, why does it refuse to sustain the benefit principle? Why will it decline to earmark funds when it is known that by earmarking funds we can increase the efficiency of the delivery of programs and the expenditure of these revenues for targeted programs?

The second argument concerns why earmarking funds is essential and important, and I quote: "It may induce the public to support new or increased taxes on which they otherwise could not agree by linking the taxes with an expansion of some government activity which they desire".

In a real sense then, if we earmark funds we are trying to say we provide that needed link between tax revenues and government expenditures on programs. On that basis I think the argument of the government that it would not like to earmark the funds is not tenable. Canadians will see that.

One more thing, Madam Speaker. When I spoke on this bill four months ago, we realized the many benefits that would accrue when we passed this bill, despite the limitation, despite the absence of earmarking that I indicated. In fact, I believe that effective tobacco taxation is a progressive health policy for a variety of reasons. As has been indicated already, for every 10 per cent increase in price, consumption will drop by 4 per cent, particularly among price-sensitive young people where the impact of a price increase on their consumption of tobacco is even more pronounced. Hence, we can expect a drop in consumption among children and teenagers of some 14 per cent for every 10 per cent increase in price.

We have heard already, and I will not belabour the point, of the many deaths that have happened from smoking. I would like the House and all colleagues to support this bill.

I would also like to seize this opportunity to put on the record the many associations that support this bill so that Canadians may know them: The Canadian Association of Hospital Auxiliaries, the Canadian Association of Occupational Therapists, the Canadian Association of Pathologists, the Canadian Cancer Society, the Canadian Chiropractic Association, the Canadian Council of Cardiovascular Nurses, the Canadian Council on Smoking and Health, the Canadian Dental Association, the Canadian Home and School and Parent-Teacher Federation, the Canadian Hospital Association, the Canadian Lung Association, the Canadian Medical Association, the Canadian Nurses Association, the Canadian Pharmaceutical Association, the Canadian Physiotherapy Association, the Canadian Public Health Association, the Canadian Society of Respiratory Therapists, the Canadian Teachers Federation, the Heart and Stroke Foundation of Canada, the Non-Smokers' Rights Association, Physicians for a Smoke-Free Canada, the Royal College of Physicians and Surgeons of Canada, The Canadian Association of Optometrists, the College of Family Physicians of Canada and The United Church of Canada.

These are among the many supporters of increased taxation on cigarettes so that we can stop smoking in this country.

I may note that there are only two or three organizations that are opposed to this bill. One is the Tobacco Manufacturer's Council and the other one is an organization that is supported by the Tobacco Manufacturer's Council.

You can see that the vast, vast majority of Canadians support this bill.

I would also like to put on the record a letter from the chairman of the Health and Public Policy Committee of the Royal College of Physicians and Surgeons of Canada, Dr. David Sackett, dated July 16 of this year, to all the ministers of health in all the provinces and territories.

> Canada has begun to make progress in decreasing the toll of disability and untimely death from cigarette smoking. The tobacco companies are engaging in a campaign to discredit this progress through the smoking packet write-in campaign. We are writing to you to indicate the need for more, not less vigour in the effort to reduce the death and disability toll from cigarette smoking. We therefore call upon you to ignore the efforts of the cigarette companies who benefit from this toll of human suffering, and to continue to support increasing efforts toward the discouragement of cigarette smoking in Canada.

My only regret this afternoon as I debate this bill is that the three amendments that I proposed and I thought would be given an opportunity for debate were ruled out of order on procedural grounds but not on the merit of my proposals.

For the benefit of those who have not seen my amendments, let me read again the thrust of my amendments. My first amendment would allow for the earmarking of funds for the prevention or treatment of illnesses related to tobacco use.

Why would the government refuse to give consent to such an amendment to be debated?

The second amendment is to earmark funds to inform the general public of the risk for human health involved in tobacco use. Again, why did we not give consent to this so that it can be fully debated in the House and thereby test the will of Parliament?

My last amendment would have been to earmark funds to help people who wish to overcome their tobacco addiction.

Smoking truly is very addictive. An addiction to tobacco is one of the strongest known, comparable only to the death grip of heroin and alcohol. I would have wished that we could have earmarked funds for cessation programs for smokers. I believe with $1.4 billion being received alone through this tax that there is no excuse not to help the people suffering the tax burden the most, the smokers.

I would like the government to help them quit instead of only milking their addiction for revenues.

In conclusion, I would just like to say that I hope all members of the House would support this bill, notwithstanding its limitations, and I further hope that the government, although we were unable to debate the amendments, would take the substance of those amendments into consideration and institute health programs to address those very issues and concerns that I hope the government equally believes are important. I hope it would support them with added funds, including the preservation of our health care system.

• (1610)

PRIVILEGE

STANDING COMMITTEE ON ENERGY, MINES AND RESOURCES

Mr. Al Johnson (Calgary North): Madam Speaker, I rise today on a question of privilege. Last Thursday I received a copy of a letter from Mr. Maurice Ruel, director general of the oil and gas branch of the Department of Energy, Mines and Resources to Mr. Daniel Dubeau, vice-president, Environment, Hydro Quebec.

This is quoting from the English translation. I only received this today which explains why I am rising today. I had received the original text on Thursday but had to wait for the translation before I could fully understand the import of this statement.

In the letter, he states:

> I would suggest that Hydro-Québec acknowledge receipt of Mr Knowles' letter—

Mr. Knowles is the clerk of the Standing Committee of Energy, Mines and Resources:

> I would suggest that Hydro-Québec acknowledge receipt of Mr. Knowles' letter, telling him that you support in principle the presentation made by the Canadian Electrical Association to this committee in "Environmental Challenges Facing the Electric Utility Industry" and therefore you do not see the need for Hydro-Québec to take part in its hearings.

I consider it to be a completely unacceptable and unwarranted interference in the proceedings of Parliament for an official in the department to be instructing a witness not to attend and to take part in our hearings.

In this regard, I would appreciate it very much if the Chair would recognize that this is a prima facie case for the existence of a question of privilege and that it therefore accepts my motion that the matter be placed before the appropriate committee of the House, the House management committee.

[*Translation*]

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, as vice-chairman of the same committee that the member who raises the question of privilege belongs to, I would add a few words on the same subject, if you allow me.

In the same letter that he just referred to, Mr. Ruel wrote in French: "I would suggest that Hydro-Québec acknowledge receipt of Mr. Knowles' letter, telling him that you support in principle the presentation made by the Canadian Electrical Association to this committee in 'Environmental Challenges Facing the Electric Utility Industry' and therefore you do not see the need for Hydro-Québec to take part in its hearings."

As my friend just told you, Madam Speaker, officials at the Department of Energy, like all public servants, work for all the people of Canada and for members of Parliament, in that we work together, and I say that as a former federal civil servant. The minister is now in the House and perhaps he agrees with my colleague and me on this point and he may also wish to say something on this subject. I find it hard to understand how a deputy minister or a director general of a federal department can in fact write such a letter telling Hydro-Québec to ignore our committee's hearings. In short, I wish to support the motion moved by my chairman. I hope that we can at least obtain a decision on this question which I think is quite important.

[*English*]

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I too want to associate myself with the points being made by my hon. colleague.

It is a most serious matter. He has succinctly stated the case in the spirit of parliamentary reform in making the committees of the House of Commons effective in terms of doing a thorough analysis of issues and submitting reports and recommendations. I think the point raised by my hon. friend is most important. I want to lend my enthusiastic support to the points that he has made and encourage the Chair to look favourably upon this request.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Madam Speaker, I would like to respond to the chairman of the standing committee as well as the two members of the parties opposite. I cannot address my comments to the larger issue which I think the House leader of the NDP referred to, namely what will be or what might be the role under parliamentary reform of federal public servants in terms of information that they can give, not necessarily to standing committees, and also advice that they might be seeking or advice they might want to give in terms of other jurisdictions.

For instance, there has been a case just recently of a Canadian official being asked to give evidence in the United States on quite another matter. This is a debate which is appropriate for the House and for House Leaders, so I cannot address that.

What I can address is specifically what the chairman of the standing committee and the two members specifically referred to. This morning officials in my department brought to my attention the letter that had been sent by an official in my department, namely the director general, to Mr. Daniel Dubeau of Hydro Quebec who had received, or Hydro Quebec received, a request to appear before the standing committee. That is the work of the standing committee. It is an independent parliamentary standing committee of which a minister cannot nor should have the ability to direct who appears before it and so I do not do that.

I have checked with the department. It is not a letter that I either had authorized or was aware of, but I fully understand parliamentary responsibility and cabinet responsibility. I take the responsibility of the work within my department.

I apologize not only to the chairman of the committee but also other committee members. This is not the manner in which we should proceed. There has been another letter trying to correct which in my mind was a mistake. In fact, Madam Speaker, I know the two members have read from the letters but cannot table them. If it helps the House for me to table those letters, I would be willing to do so. Hopefully this issue can be corrected in that way.

The larger issue of what is the role of officials both federal and others relating to parliamentary standing committees I think has to be taken up by appropriate members of the House who have responsibilities for their parties in respect to House business.

[*Translation*]

Mr. Kilgour: Madam Speaker, I deeply appreciate the comments made by the minister. If there is unanimous consent, could we have all those letters on the Table right now?

[*English*]

Madam Deputy Speaker: The hon. minister has offered to table the letters. I am sure that there would be consent and it would be appreciated.

Some hon. members: Agreed.

Mr. Epp: Madam Speaker, just to clarify for the House, I am willing to table all letters that are in my possession. We have gone into the files. The letters that I am tabling, including questions and answers that came from the committee as well, are all in this file. I hope that that file is complete. To my knowledge this afternoon, it is complete.

[*Translation*]

SPEAKER'S RULING

Madam Deputy Speaker: I want to thank the hon. minister for his comments. I listened very carefully to what the hon. member for Calgary North, the hon. member for Edmonton Southeast and the hon. member for Kamloops said in the House.

I can certainly understand the reaction of the hon. chairman of the Standing Committee to the incident that he related to us. In any case, it is a matter that should have been brought up before the committee in the first place, before being brought up in the House. It could aslo have been brought to the attention of the House in a committee report. Since the hon. minister was with us and apologized on his behalf and on behalf of his department and the official involved, I think that, for now, the matter is resolved. I want to thank all those who took part.

• (1620)

[*English*]

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Gatineau—La Liévre, Agriculture; the hon. member for Prince George—Bulkley Valley, Trade; the hon. member for York West, de Havilland; the hon. member for London East, Housing; the hon. member for Davenport, Illicit Drugs.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-10, an act to amend the Excise Tax Act and the Excise Act, be read the third time and passed.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I want to say that I am happy to have an opportunity to participate in the debate on Bill C-10, a bill that essentially sees an increase in taxes on tobacco products.

I want to begin by first of all saying that I very seldom find myself agreeing with initiatives that the government has taken over the last little while, but this is one where I find myself in complete agreement. It is appropriate that we use fiscal policy in an effort to introduce a comprehensive strategy to reduce the use of tobacco.

I want to begin my comments by simply stating that tobacco, as far as I am aware, is the only legal consumer product that actually kills people when used exactly as it is intended to be used. In other words, if you smoke, there is a very good chance that you will end your life prematurely. You will have an influence on ending the lives of other people prematurely as well as a result of the second hand use of tobacco. As a matter of fact, I think the statistics would indicate that in an average year, 35,000 deaths occur in Canada directly related to the use of tobacco, to say nothing of all of those folks who find themselves spending time in cancer clinics, in cardiac wards, suffering from emphysema and other related illnesses.

Again, I think the statistics of second hand smoke indicate very clearly that smoking is something that we ought to encourage people to eliminate and certainly to reduce.

However, before getting into the subject matter itself, I want to simply say that we ought not to lose sight of the fact that 1,200 growers are involved in the tobacco industry as farmers. While we are taking steps here in Parliament in a variety of ways to encourage people not to consume tobacco, the reality is that it is a legal product and there are 1,200 families involved in its production, to say nothing of another few thousand involved in the production and sales of tobacco who depend on the industry for their livelihood. There is not one in this House of Commons who would not support increased activity, increased financial support to encourage those growers to get out of the tobacco growing business and into something else that would be more acceptable to Canadian society generally.

We have made positive steps in this direction over the last number of years, but we have a lot to go.

It is interesting when you look at the price of a package of cigarettes today, and they cost about $5 or $6, depending on where you buy them, and yet the actual farmer only receives about 7 cents of that. It can be seen in terms of the amount of money consumed in taxes and in other costs throughout the system in terms of production and marketing of tobacco, 7 cents going to the farmer means that there is certainly a great deal being generated to society to say nothing of taxes.

The minister earlier indicated an interesting trend, that the government is actually projecting a decline in revenue over the next number of years as a result of this initiative. A lot of people are of the opinion that we simply keep jacking up the taxes on the price of tobacco to gain additional revenue. Well, to a point that does work.

I think we have reached the point now where the taxes and costs are so high that it is actually having an effect on the number of people smoking or beginning to smoke, so that the use is falling off and consequently the long-term revenue to government will actually decline. I think that in terms of a financial viewpoint it is probably bad news but over all we have to welcome the trend that fewer and fewer people are involved with smoking tobacco.

I might say in my constituency a lot of people chew tobacco. I tried it once, got sick and did not try it any more. Baseball players and cowboys it seems still find that to be an interesting way to consume tobacco.

I want to point out some very encouraging statistics. Let us also acknowledge the fact that Canada is a world leader in tobacco control. This Parliament has passed the Tobacco Products Control Act and the Non-smokers' Health Act which have had significant impact in seeing Canadians set aside their packs of cigarettes or their pipes or cigars or chewing tobacco and move away from that habit. In the three year period between 1989 and 1991 tobacco consumption in Canada dropped over 20 per cent. What is encouraging is the drop with young people.

Statistically we know that there is a very clear relationship between the price of a commodity and the demand for the commodity. It is fair to say that statistics and studies have proven that for every 10 per cent increase in price of tobacco, consumption will drop by 14 per cent. It is even more when you consider young people because they are very price sensitive. They are not as addicted, if you like, as older folks and they have less disposable income. For every 10 per cent increase in price of consumption by young people—I mean by that children and teens—the consumption does not drop 4 per cent, it actually drops 14 per cent.

We can see that this most recent round of price increases on a package of cigarettes will be encouraging younger people not to smoke even more.

We know that the tax increase of 3 cents per cigarette introduced in the 1991 federal budget means that cigarette prices increased by approximately 18 per cent at the retail level.

Let me just as an aside say something about the retail level. As a result of a recent study that was completed in my constituency of Kamloops and I suspect duplicated in other areas, I am just not aware of the various studies, people were puzzled by the seemingly ease with which young people, and I mean very young people, could purchase cigarettes.

It is illegal to sell cigarettes to someone under the age of 16. However, when you look at the act that was passed, which must have been 100 years ago, it said that if you are caught as a retailer selling cigarettes to children, you will be fined, get this, $10. Hardly a punitive sum. If you are caught twice, you get fined $25. The third time is really heavy, you get a $100 fine. Obviously what this means is that people will just ignore this and sell to children. Some retailers do not. They recognize the law for what it is, for a good reason and refuse to sell.

A study was done in Kamloops. One of the local organizations concerned about the increased amount of smoking by young people, particularly young girls, sent children to the various stores, 14, 12, 11 and 10 year olds, and found that it really did not matter if you were 10, 12 or 14, a retailer sold you cigarettes. I think we all appreciate that if someone 10 years old comes in asking for a package of Rothman's, they are obviously not 16 and the retailer ought not to be selling it to them.

I have introduced a Private Members' Bill for those thoughtless retailers who sell cigarettes to children. If they are caught, the first offence would be a fine not exceeding $1,000; the second offence, $2,000; and the third offence, $5,000. Hopefully this will encourage people to simply obey the law if you are selling cigarettes to people, and particularly young people.

• (1630)

It is interesting that the price increase of the 1990–91 federal budget will result in a decline in consumption of between 7 per cent and 11 per cent or, in other words, 450,000 to 700,000 fewer smokers. According to the World Health Organization, between one-quarter and one-third of all smokers will die from their tobacco use. Therefore, we can extrapolate that 112,000 to 230,000 fewer tobacco caused deaths will occur as a result of these tax increases in the 1990–91 federal budget.

That is encouraging. No other single tobacco control measure could mean so many lives saved. It is estimated that consumption among young people will drop a dramatic 25 per cent as a result of this increase. The greatest success to be achieved by any tobacco control program is to prevent people from becoming addicted in the first place. This one measure is expected to stop at least 30,000 young people under the age of 19 from joining the tobacco market and many thousands more will quit smoking on top of that. In total, the assumption is that the budget increase in tobacco taxes will result in approximately 100,000 fewer teenage smokers.

That is great news. Any step that will result in 100,000 teenagers not starting to smoke has to be a welcomed initiative. I was pleased to see in the voting earlier today on this matter that it had the overwhelming support of the members of the House.

I want to refer to one rather disturbing fact that has become known in the last little while and that is the fact that the tobacco marketers are aiming at young women as a target market. It has worked because if you look to see where the increase in smoking is occurring, it is among young women. I would like to think that we will take steps as a Parliament to encourage all people, particularly young people and young women, to reconsider what they are doing, acknowledging the fact that tobacco will kill you or result certainly in a premature death.

I want to say that my hon. colleague from Winnipeg North had an interesting suggestion in his amendments. He tries to suggest that some of these increased tax revenues should go toward an educational program and to treating smokers and encouraging those who are considering smoking not to.

I noticed that the government when it collected the GST targeted some excess revenue there toward deficit reduction which in a sense is a bogus plan but, in that same kind of thinking, not the bogus part but the serious part, we should be suggesting that some of these additional revenues should go into a massive campaign to encourage young people not to smoke and not to begin smoking, which will likely result in some form of addiction.

I must say that I find it troubling to attend sporting events and often find that they are endorsed by cigarette manufacturers. Encouraging young athletes and so on to get involved in sporting activities and having to resort to the tobacco companies endorsing those athletic or sporting activities is a little odd in logic and is something that we need to consider in the future.

I want to simply add to my comments by suggesting that when people say "look at the price of tobacco products", if we actually look what happened in our country between 1950 and 1980 and just adjusting for inflation, we find that the real price of tobacco actually fell and that tobacco is actually cheaper to obtain in terms of a typical wage earner in the country now than it was years ago in spite of what appears to be an incredibly high cost for a package of tobacco. In terms of what these additional taxes have done, they have not even kept up to the rate of inflation.

In closing, I simply want to say that the fact that so much cross-border shopping is resulting now in illegal cigarettes from the United States coming to Canada is a reflection that the United States really has not appreciated this problem as we have in Canada. In the United States taxes on cigarettes account for about 27 per cent of the retail price.

In Canada it is closer to 67 per cent of the retail price. What we are saying is that while we have passed legislation in this Parliament to preclude smoking in federal precincts and taken steps to encourage people not to smoke, the United States has not done the same.

It is a sad fact that people find themselves going across the border to pick up cheaper priced cigarettes. It is inferior tobacco, as we all know, and inferior cigarettes. It does indicate the challenge that is before us.

In closing, I want to say that we support this legislation. We support the fact that it has proven successful in terms of increased taxing and taxes on cigarettes have resulted in a decline in use. However, let us also acknowledge that as the industry winds down, and hopefully will continue to wind down and save a lot of peoples' lives in the process, we simply cannot ignore the tobacco producers.

While we change our laws and our positioning on this particular commodity, they are in a sense the innocent bystanders. We have to acknowledge that fact and introduce clear programs that will help them in their transition to other forms of agriculture or other economic activities.

Mr. Ray Skelly (North Island—Powell River): Madam Speaker, I listened with great interest to the remarks of my colleague from Kamloops on this very important issue.

There are four points that I would like to make as observations, and I am wondering if he might comment on them.

The first is that the government is taking something in the order of $60 million out of this. I got my figure confused, but it is a large amount of money. It is only part of the solution to this. There needs to be additional action taken by the government.

It has been said that in the reform of health care, probably the most critical thing that has to be done in this place and the provincial legislatures across Canada is to address driving, smoking and alcohol in the reform of the health care system because of the lifestyle problems

that are created in health care. This is one of the critical ones.

The House of Commons, through the office of the Speaker, could provide a very effective model across this country. I know the House provides opportunities for staff and members to participate in quit-smoking programs, but there is no rigorous attempt to sell that program. There is no attempt to assess the size of the problem, to follow up and to catch those who fall off after the initial investment is made.

The Government of Canada pays for it, but it does not do it effectively. It could be very effective. I do not think I have ever met a smoker who does not want to quit smoking.

The second thing is the government has put forward a proposal to end the partisanship nature of the House of Commons, and I could not think of a better issue than this one. I think my colleague will agree.

I have talked to many members on the government side, in the Liberal caucus and in our own caucus who want to see something positive and constructive done to bring this issue forward and to reduce smoking.

I would think that this is the kind of a situation that the committee could continue on. There needs to be a ban, as my colleague has said, on export and import of this product.

It could quickly cut down a great amount of infringement of the intent of the law if that were to happen, both exporting the product to Third World countries and allowing the imported product to beat the prohibitive nature of the cost here.

The last thing is the conversion cost for farmers and the production and distribution cycle. Those people are the innocent victims of it. The money taken in by that tax, and I know the government is reluctant to do this, should be specifically targeted into the smoking area. It should provide assistance so farmers can convert to other products and so manufacturers can orderly scale down operations and exit the business and so that workers can be relocated and retrained.

The four points are, in summary, as follows: The House of Commons should be a model of an organization that really attacks the problem of smoking by helping people to get off it, following it up and for those who want out, help them out.

As for the constitutional move to make this place non-partisan, we all agree on what should be done and I think we should move forward as a group to end this as much as we can. Export and import, get on with targeting the conversion costs.

• (1640)

Mr. Riis (Kamloops): Madam Speaker, I would like to respond to those very thoughtful interventions by my hon. colleague.

While the House of Commons has taken a number of steps to encourage members and people that are employed on Parliament Hill not to smoke, with I think relative success, although we still find long line-ups outside the doorways with people squeezing in that last cigarette before they start or slipping out for a quick one, particularly during the winter months, which looks a little odd, but we still have some work to do and there is still much that could be done.

I remember the days when we used to have all of those ash trays out behind the curtains and everybody would be out there smoking. Now you do not find anybody out there smoking at least, and no ash trays. I think we have made tremendous progress and ought to continue to work for, as my colleague says, setting a model for what can be accomplished if we set our minds to it.

Also, the acknowledgement of my hon. friend that there is a tremendous cost associated with our health care system when you consider all of the people suffering from some aspect of smoke-related illnesses. The cost is horrendous. Therefore, it would really be an investment of significant proportions to encourage, particularly young people not to smoke. We acknowledge the fact that if you can keep a young person from smoking up until age 18 you have probably won the battle, that very few people are addicted after the age of 18. Therein lies the challenge in our school programs. I think we would all agree that really we have only touched the surface, that not a great deal has been done.

Madam Speaker, when you look at a package of cigarettes these days and see about half the pack covered with a sign saying "smoking is injurious to your health; smoking causes cancer; if you are pregnant don't smoke", and so on, you would think that people would get the clue that this is not a good idea. As my hon. friend has indicated, I think most people have. But the facts are that it is an addiction and how you rid yourself of this addiction obviously requires a major effort, and that while progress is being made much more ought to be done.

I want to thank my hon. colleague for his intervention, and particularly again his reference to the fact that transitional funds must be provided for the growers in the business. We must also re-think our export of tobacco products, particularly to the developing world. One reads with a great deal of disappointment that the major marketing now of tobacco products is into the poorest parts of the world, into the parts of the world where, since one is having difficulty selling them in Canada, that a major initiative is being taken to sell cigarette products in the developing countries. This is something we should not be encouraging, and as a matter of fact should be taking steps to eliminate.

Mr. Ray Skelly (North Island—Powell River): Madam Speaker, I do not wish to belabour the point because we agree absolutely. But another suggestion is that it is ironic; in the House of Commons it is not just a matter of prohibiting people from smoking in offices, which is observed or not observed, but the House spends thousands and thousands of dollars on programs. If a member of Parliament or a staff member wishes to sign up for a non-smoking program the House will pay for it and that is a very positive move.

Unfortunately the health officials in the administration of the House do not attempt to size up the size of the problem. They do not attempt to target it or promote it. The second thing they do not do is that if somebody takes that program there is absolutely no follow-up. People here have suggested they do not have the resources to do that. But, in fact, there is a school of nursing at the University of Ottawa, in Algonquin College, where students could—probably as part of their project—do an assessment. I discussed this previously with a number of folks who thought that they would be quite prepared as a project in health care to come in here, do an assessment and do a follow-up.

But what I am arguing about is that we could set an example here. The second thing is that the House leader, in speaking to his other colleagues, might be able to approach the Speaker and ask if something slightly more energetic could be done to begin to set the model on the Hill. I know the Minister of Energy, Mines and Resources is a solid supporter of the kinds of activity that go in his report on health care and it is well known that the lifestyle types of things are important.

So right within the House things can be done. I would also like to say that he did not comment on the non-partisan nature of the desire of the government to move into areas where members of Parliament do agree. I am wondering about the possibility of House leaders sitting down for a discussion on what might be added to the health care committee to see whether or not the government may want to target some of these tax dollars to education programs, to conversion programs, and to really make this thing work. The government's initiative in using the stick is fine, but additionally there needs to be more on the carrot that would encourage people to get off the habit.

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, I am taking part in this debate today as a non-smoker. I am very proud to say that none of my children smoke either, but yet I am the first to recognize that perhaps through continuing research, partially funded by the Government of Canada, the Canadian tobacco industry has one of the best products of any country in the world. They have lower tar and nicotine content than most other countries of the world. Consequently the Canadian product itself is not only of higher quality but it is much safer.

We only have about 1,200 growers left and yet in 1988-1989 fiscal year those farmers contributed $2.097 billion in tax revenues to various levels of government in this country.

What we are seeing in this bill is another tax grab that is going to drive Canadians into more cross-border shopping to pick up cigarettes at about half the price. Of course, while they are over there they will buy other products that are cheaper because the retail sector does not take as big a mark-up and because there are not as many levels between the growers and the retail outlet. They will also fill up with gasoline, again made far more expensive by the levels of taxes in this country. This is hurting the cross-border communities in a very dramatic way.

The minister spoke earlier today about a national plan to reduce smoking. He said that the strategy would be effective to reduce this but I have to ask the question how much of this revenue has been missed not only due to the cross-border shopping but also due to the illicit trade that we are reading more and more about as time goes on. I believe that the increased taxes have had an adverse effect not only on government revenues but maintaining a desire for the people to obtain their tobacco needs in the U.S.

A few months ago the minister of energy, and I hope he will come back in, made a comment on a comparable product, and I would be very remiss if I did not touch on it now that he has mentioned it.

Tobacco has been described here today in the House as a legal killer. I have to suggest there is another substance used in Canada at the present time that is an insidious neurotoxic substance which is certainly banned in some other countries but is still being used here in Canada.

He looked at tobacco being labelled as a killer. I suggest that the octane enhancer currently used in gasolines in Canada, MMT, which is methylcyclopentadienyl manganese tricarbonyl, is nearly as bad as the product it replaced which is tetra-ethyl lead. I have documents that suggest that while we are flailing away at the tobacco industry to protect the lives of Canadian people, the sad part is that other ingredients used in our gasoline is particularly harmful to the health of infants and children. They are the most vulnerable victims of this substance, yet tobacco products are not used by these young people or children whose immune systems are not yet in place.

• (1650)

I would like to cite from the June issue of the Canadian Medical Journal, where it points out that among infants 10 to 14 months of age in low-income families in Montreal, 24.3 per cent had iron deficiency anaemia.

Then we look at some research done by Michael and Judy Ashner at Albany Medical College, in Albany, New York. They found that in laboratory animals that have iron deficiencies the uptake of manganese accelerates dramatically.

This happens in laboratory animals and of course the laboratory work is done to assess the impact of these substances on humans. Then does it also follow that many of these infants in Canada whose blood brain barriers are not yet in place and who do not have the mechanisms to excrete this substance may also be at risk.

Therefore, I suggest that we have a double standard here. We are aiming to eliminate smoking by imposing high taxes on the smokers, yet we are continuing to allow the use of the substance MMT containing manganese in our automotive fuels. We are allowing MN3 to come out of the exhaust systems of cars that causes pollution and the MN3 is taken into the respiratory systems and accumulates in the bodies, not only of children who are the most susceptible, but also other Canadians. It is taken in through the respiratory system and it accumulates and attacks the cells at the base of the brain.

There is another double standard here. Tobacco is produced here in Canada, and as I indicated earlier, it has the lowest chemical content, nicotine content, of any nation in the world. But we allow the importation of a product into Canada that is not even manufactured here that places the health of our children and adults at risk.

I have to say that I am amazed that this government can bring in a tax measure such as this on the pretext of trying to force Canadians to quit smoking and at the same time allowing the continuous use of an insidious neurotoxic substance in gasolines that over a period of time may have an adverse impact on the health of our children if continued exposure is allowed to exist.

I want to be very clear on this matter. This is taken in and accumulates in the body over a long period of time and the outcome of this will not be known for years to come, long after these infants have grown up.

I should also put on the record that this material has been banned in the United States since 1978.

Therefore, if this government is seriously maintaining that increased tobacco taxes are a health measure, then I ask them to move immediately to ban MMT from gasolines in Canada.

The medical evidence continues to accumulate. The substance I speak about, MMT, has to be dealt with very quickly if we are going to protect the lives and health of our nation's children.

As I look across the country and see the alternatives for those engaged in agriculture continuing to diminish, I have to ask this government to stop and examine where it is going and to make sure that those farmers who do wish to take advantage of the REDUX program are given an opportunity through continued funding to get into other areas of production that is acceptable to society and will not affect the health of this nation.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I want to thank my colleague from Lambton—Middlesex for his intervention earlier in this House today when he voted against this bill on behalf of his tobacco farmers. He was willing to stand up for them on this, as he has stood up for farmers across this country, not only when he was Minister of Agriculture but since then when he has led this party in the debate in the House of Commons regarding the GATT and the effects on our supply managed commodities.

I spoke earlier in the day on this bill. Madam Speaker, I want to let you know that I will not be repeating what I was saying earlier. What I want to point out to this House before we wind up the debate is the impact this legislation has on our farming communities, especially the farming communities in my area of Haldimand—Norfolk.

When a government puts on a tax such as this, a burdensome tax that in my belief and in the belief of many people throughout Canada is something that is just a tax grab, unfortunately the impact of that on people in their day to day lives does not seem to come up as often as we might want to expect.

What I have here are some letters from some of my constituents outlining the impacts that this taxation and excessive taxation have on their lives as tobacco farmers. I want to read from a few of these because I think it is important that the House understands, that this government understands, the impacts that some of the decisions have on common people.

I will not reveal any names, but I want to read this letter which outlines the real impact that the taxation has on this one farm family. It states: "My husband and I purchased the farm in 1974 for $140,000 with rights to 37 acres. We had good crops every year and slowly built up our farm from our profits. We bought other rights. All this was possible because of the money we made from our crops. Unfortunately, in 1981 my husband passed away. I was 38 years old with four children. I did not want to sell the farm because I was considering my children's future. When my husband passed away we owed $30,000 because of the blue mould program".

This is just one of the problems, the blue mould problem, faced by tobacco farmers, a disease affecting their crop. These are problems that Canadians in a day to day life do not understand that farmers face. Canadians on a day to day basis look out and see either a sunny day or a rainy day. They feel either they can go down to the beach or cannot go down to the beach.

Unfortunately, for the farmer it depends on what the day is like, whether he is going to have a proper crop and whether he can actually survive. If we do not get the amount of sun, if we do not get the amount of rain as required, not only in tobacco but other crops, it makes it difficult for farmers just to get by.

The letter states further: "In 1986 I grew 20 acres of tobacco with my children with an operating loan from the bank. The farm at that time was valued at $850,000. Now it is valued at $125,000".

Just over a few short years the value of that farm fell. What Canadian business person could go on after a business such as that loses the value that it did? This person is directly relating that to excessive taxation.

She goes on to say: "I have had a hard time making my living off of $350 a week. I am writing you this letter to make you realize how hard life is after I have sold my quota. Sometimes I feel like I'm going to have a nervous breakdown.

• (1700)

Even my children are suffering. They are nervous because they see all my hardships and problems. Last year, my 19-year old son underwent terrible surgery for a bleeding ulcer and the specialist says he could not understand how such a young person could get a bleeding ulcer. Without surgery, my son would have died".

The letter goes on to say that the doctor felt that this was a direct result of the stress that had been created within that family because of the troubles that it was having in the farming sector.

Another one I have here is from another family regarding the question of whether the decisions made by the government with regard to excessive taxation have actually been constitutional. He feels that they are against the Charter of Rights. He says: "What happened to the Charter of Rights which Canada and the government are supposed to adhere to? Our life as Canadians has definitely been a tremendous struggle. We have been put out of business, not treated as equals to our tobacco neighbours who were lucky enough to be able to wait one day or six months longer than us and therefore get three times the money".

This person is talking about the group of tobacco farmers, a little over 100, who got out before the REDUX program actually came in.

As I am talking about REDUX, I really want to take to task the Minister of State for Finance when he questioned me today on whether I was, I suppose he challenged me, misleading the House on the question of REDUX.

The fact of the matter is that there is no money now in the hands of the farmers for REDUX. The government says that I should know that it is planning to give money for REDUX. The planning or possible promises have been broken by this government in the past as they have by a number of governments.

Tobacco farmers are not satisfied with the promise from the Minister of State for Finance that there is going to be a solution. I know he is having problems now. He is correct when he says that the NDP provincial government is balking on funding.

An hon. member: They are worse than the Tories.

Mr. Speller: I cannot judge that yet, because I have not really been in long enough.

It has given a commitment because Bob Rae did give a commitment during the election campaign that he would fairly compensate farmers. Unfortunately, this has not come to task yet, but I hope that within the short term the provincial government will get involved in this REDUX program if there is funding from the government. I hope too that it will be able to provide some answers for our tobacco farmers.

As I said before, promises have been broken. Also, governments have gone on their own in programs to assist farmers and to assist other industries without provincial involvement.

I would call upon the government and the minister of state because he knows he has the power to do this on his own. If the provincial government goes back on its word to help compensate tobacco farmers, I would expect that the federal government here would go along on it. I would hope that my hon. friends on the government side from tobacco producing areas would be making that point to the government.

To continue on, this gentleman says: "We purchased over 123 acres for 179,000 pounds of quota for our farm in 1984 for $600,000. Within four years, our acreage went from 45 acres to 20 acres."

That answers the question for the people who say: Why can tobacco farmers not get into other forms of farming? You cannot farm anything in Canada on 20 acres or 45 acres and make any sort of living.

There are areas in which tobacco farmers have moved, some of the areas are peanuts, melons and a whole wide range of products. Basically, a lot of the markets for those products have already been taken up elsewhere in Canada.

There has been a lot of success by farmers helped by programs by the government such as AEI, Alternative Initiative Programs, and also other government funding to help them move in. There have been some success stories. I am not saying there have not been.

Unfortunately, now it has cancelled that program.

It has cancelled the Alternative Enterprise Initiative and the government has not given any indication at all that it plans to bring that initiative back.

Again, we have had promises. We have had the Minister of Finance, the former Minister of Agriculture, come right through my riding, the riding of Elgin and Oxford, and make a commitment prior to the last election that he would help the tobacco industry. Unfortunately, in my mind and in the mind of most tobacco farmers, they do not feel that that help has been forthcoming.

I mentioned earlier in the day a group of over 1,000 farmers who banded together and who have put a suit forward to sue the federal and provincial governments for what they say is excessive taxation. They say they have been damaged by this and are asking recourse from both the federal and Ontario provincial governments.

Unfortunately, both governments decided at that time that they would challenge this court decision. Unfortunately for them and fortunately for tobacco farmers, they lost out on that challenge. The judge decided that yes, the tobacco farmers did have a right to sue the government on that fact and that is going on now.

This is a letter from the president of that group of tobacco farmers. It is a fair compensation group. He writes that there is no rationale, no sense of impact and no provision for compensation for those affected by this and previous excesses in government taxation. The only clue we have is a statement from the Minister of Finance on budget day, February 26, 1991, that the huge tax increase was intended to reduce tobacco use and if that tax produced a net revenue decline it was the kind of revenue erosion he would be pleased to accommodate. It says, as stated by the finance minister, it is a tax increase to reduce consumption of tobacco which will result in the item not being purchased and no tax being paid. He says this is illogical. There is no regard for personal liberty. Of about one-third of adult Canadians who enjoy tobacco, a legal product, it has ignored their millions of protests.

There have been millions of protests. These protests have gone in to the Prime Minister in those little cards that you might have seen in your package of tobacco. Those cards were addressed to the Prime Minister. They called upon the Prime Minister to stop his excessive taxing of tobacco products.

There were well over 3 million to 4 million of these tax cards that went in to the Prime Minister's office. I am sure the Prime Minister would not have read them all, but I hope that he would have at least looked at a few of them to get a sense of the outrage smoking Canadians have to excessive taxation. I am saying excessive taxation because I am sure that a majority of these smokers would be willing to pay fair taxation on their tobacco products. I have no doubt about that.

Look at the situation in the United States. I am sure the Americans have the same concern for their health as does the Canadian government. They feel that some form of taxation on their tobacco products is enough to help deal with the adverse health effects that they find in their country due to smoking. They have nowhere near the amount of taxation on their tobacco products that we do. It leads one to believe that somewhere along the line there is something wrong, that one government is going wrong somewhere if it feels that taxation does stop smoking and stops these adverse impacts on its economy and on our economy.

I would suggest that it is the Canadian government that has gone way overboard. It knows it has gone overboard and the only reason it is continuing to increase taxation on tobacco product is in order to get revenue in a way that most Canadians would not notice. Only one-quarter of all Canadians, six and a half million or so, smoke. I feel that it is this government's intention to continue to increase this taxation and continue to get its revenues in the future from this increased taxation.

• (1710)

I want to finish there because I have said most of what I really wanted to say on this matter this morning. However I want to leave you with one thought. I feel this government, through this taxation policy and through other policies, is driving Canadian agriculture south of the border because if we do not grow tobacco it is going to be grown anyway and people will continue to smoke.

This government is not going to stop other markets from smoking, other countries in the world. Essentially we will lose the business. Canadians will continue to smoke but they will just get their cigarettes from south of the border. That is just another industry that this government, provincial governments and other Canadian governments have been forcing south of the border.

I thank you for the time, Madam Speaker, and I think that is all on this side from those who were going to speak.

Mr. Ray Skelly (North Island—Powell River): Madam Speaker, I would put a question to the hon. member. I listened very carefully the very convincing arguments of both the member for Sarnia—Lambton and the member for Haldimand—Norfolk on behalf of their constituents. The plight of those who are tobacco farmers is certainly not missed. Quite a number of them find themselves in tragic circumstances.

I intend no partisan comment here but I am confused. I would think the House favours attempting to reduce or idealistically eliminate the use of tobacco. The government has argued that one of the quickest and most efficient ways of doing it is by increasing the tax to make the cost prohibitive. The argument on the other side of the House is that, yes, we agree with the objectives of the bill, but if it is anything other than a cash grab give us a signal. Let us give relief to suffering tobacco farmers who find themselves in this predicament through no fault of their own. Let us put some of that tax grab money, until it is used in some fashion that signals good intent, into helping people get off the product. Let us help farmers. Let us help workers trapped innocently in the production thing. Let us help people get off it in whatever way we can: time off work and compensation for the cost of the programs.

There are two messages that seem to be coming in the defence of the tobacco farmer. First, they grow a very fine product. I think that signal sends out a mixed message that maybe this House and the two speakers did not intend. I recall the comments of the Philip Morris company marketing executive who when speaking to a sales group said: "Look, let's understand one thing. We sell a drug. We are not selling tobacco or we are not selling smoking. That is just one method by which this drug is administered and it is a very powerful drug". To make an argument, I think it could easily be misunderstood by the population to say that we make the best drug available.

If I understand the will of the House, it is that we want to do something clearly for the tobacco farmers to ease this enormous burden that came upon them, without the problem that I think both of the previous speakers have articulated very clearly. But the second thing is that we want some of that cash tax grab put into relieving the burden in a committed way, and arguments have been made that that should be cost shared by Ontario. The health care system will be the beneficiary. Canadians will be the beneficiary.

I wonder if the comment on the fact that Canadians make the best tobacco should be clarified that it should not be allowed to continue on that basis. As for the other argument that somehow the additives to gasoline were a serious health problem, that is acknowledged. There is no contest on it. The health minister basically said in one of his reports that lifestyle changes had to be made. It was the surest way to change the health care system. Motor vehicles, tobacco and alcohol were causing tremendous lifestyle drains.

To make an argument that we should not move on tobacco unless we move on the motor vehicles seems again to be moving us away from the critical point that this House basically backs what the government has done. The government, in a show of good faith, should reciprocate by clearly and strongly addressing the problems those farmers face, that the workers in the production and distribution face, and that Canadians face trying to get off tobacco.

I wonder if that might be clarified by the previous speaker.

Mr. Speller: Madam Speaker, I would like to thank the hon. member for North Island—Powell River for his question. I listened intently. It was a little bit confusing near the end. I was not really quite sure whether you were asking if I supported the banning of tobacco totally as an illegal drug and thereby there should be compensation for farmers once it was banned. I believe you will find that most tobacco farmers would be just as happy if the product was banned altogether and they were compensated for doing that.

In terms of what my hon. friend for Lambton—Middlesex said earlier, the point he was trying to make was that the government was being—and I do not want to put words in his mouth—somewhat hypocritical by claiming on the one hand to be doing something for the health of Canadians by taxing a legal product and on the other hand doing nothing to ban the use of MMT as an additive. I would agree with him. I believe these are areas that the government should continue to look at.

The point being made by my hon. friend for Lambton—Middlesex is that there are a number of these products used within Canada. In the last few days he said that during the free trade debate there was a promise by this government that there would be a level playing field, that Canadian farmers would be able to use certain products that American farmers were able to use.

The practice in Canada is that we ban products, one of which is MMT. We ban other pesticides and other herbicides in Canada and say we cannot have them on our products. Then we import them from other countries including the United States.

The point my hon. friend for Lambton—Middlesex has been trying to make is that we should have a level playing field and that Canadian farmers should have the same access to these products as do Americans. It is hypocritical of the government to claim on the one hand to be doing something for the health of Canadians by overtaxing tobacco and on the other hand doing nothing to ban the use of MMT which, as he says, is a real danger especially to the health of young Canadians.

Mr. Skelly (North Island—Powell River): Mr. Speaker, it is truly convoluted and a little difficult to follow, but I think from the careful explanation of the previous speaker that both he and the member for Lambton—Middlesex do in fact support the initiatives of the government that would lead to a reduction in the use of tobacco in Canada. They make a very strong argument that farmers should be compensated. I guess by extension others should be compensated as well for losses through the support of this House of the government's initiative to increase taxes on tobacco.

Mr. Speller: Madam Speaker, I am not quite sure that I follow the hon. member. I guess my point is that this government has been unfairly taxing tobacco products in Canada.

An hon. member: It is unfairly taxing everybody.

Mr. Speller: "It is unfairly taxing everybody", as my hon. friend says. This is nothing but another tax grab by the government, and Canadians are really fed up with paying such high taxes. This is nothing more than a tax grab. Canadians will let this government know at the end of things, in the next election, what they feel about these high undue taxes.

• (1720)

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

[*Translation*]

Mr. Vincent: Madam Speaker, I think that you would have the unanimous consent of this House to call it six o'clock.

[*English*]

Madam Deputy Speaker: Is there unanimous consent for us to call it 6 p.m.?

Some hon. members: Agreed.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TRADE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, in the very brief time I have tonight I would like to raise on the adjournment motion a question that I put to the government, in particular to the minister of trade, on June 10, 1991. It was on a very important issue of concern to the country and in particular to my home province of British Columbia and my riding including the Prince George and northern interior area of the province. It was in regard to the softwood lumber tariff memorandum of understanding.

I guess it is a good example of how the world does change. At that time the issue that was very important to us was the thousands of jobs that were being lost in the forest industry basically because this government, along with the former Social Credit government in British Columbia, signed an agreement essentially with the Americans that allowed the imposition of a tariff on softwood lumber products from Canada into the United States.

At the time my question was put to the government to see what it was doing to tell Washington, D.C. that Canada wanted to manage its forests on its own.

Subsequent to that the government moved on September 3, 1991 to terminate the softwood lumber agreement with the U.S., which at the time I applauded with some reservations. Of course the reservations were such that it had taken some time and many thousands of jobs had been lost in the meantime.

In going in to some new negotiations, what assurances could the government give us that it would stand firm and would not sign another deal like it did in the later part of 1986?

That is essentially the stage we are at now. To whoever is going to respond on the government side, I think there are two points I would especially like to hear tonight. The first is an assurance that the government can give, in having the ongoing discussions on this issue with Washington, D.C., that it will not cave in like it did under the previous provincial government and this government. Second, I would like some detail on the assurances the Minister of International Trade provided to me by way of

letter that any Canadian forest producers would be protected, watched out for or taken care of in light of any threats of retaliation from the United States.

That is what I would like to hear from the government tonight. It is a very important issue for lumber producers across Canada.

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister for International Trade): Madam Speaker, the Canada—United States softwood lumber memorandum of understanding (MOU) was negotiated to avoid the imposition of countervailing duties on exports of Canadian softwood lumber to the United States. The softwood lumber MOU was intended, first, to end a bitter and highly politicized bilateral trade dispute over Canadian lumber exports to the United States, and second, to provide time for Canadian provinces to implement planned changes in provincial forest policies, which included increases in stumpage and other charges to the Canadian industry.

Madam Speaker, conditions have changed significantly since the MOU was signed. A large portion of Canada's softwood lumber exports to the United States are no longer subject to the export charge. The charge has been replaced entirely in British Columbia and partially in Quebec, and the Atlantic provinces are exempt. In all, changes in the application of the MOU's provisions have served to reduce export charge collections for Canada to roughly $40 million from a level of $400 million in 1987, the first year of the MOU.

Madam Speaker, market conditions have also changed since the MOU was signed in 1986. Canada's share of the U.S. market has fallen from a peak of 32.8 per cent in 1985 to 26.8 per cent in 1990, its lowest level in 13 years. The increase in the value of the Canadian dollar, combined with increased log costs to the Canadian industry, have significantly enhanced the competitiveness of U.S. producers compared to Canadian producers.

The memorandum of understanding has therefore served its purpose, and Canada exercised its right to terminate the agreement on October 4. Canada—United States softwood lumber trade can now be put back on a normal basis, subject to the rules of the Free Trade Agreement and the General Agreement on Tariffs and Trade.

Madam Speaker, in response to domestic pressure, the U.S. Administration has decided to launch a new countervailing duty case against softwood lumber from Canada and has also imposed an interim border measure requiring importers to post bonds on shipments of lumber from those producers that were subject to the export charge.

The government has objected strongly to this U.S. action and is seeking the immediate establishment of a GATT panel which will be asked to rule on whether the price which a government charges for the right to cut timber is a countervailable subsidy and whether the Section 301 bonding requirement is consistent with U.S. obligations under the GATT.

There is no basis, Madam Speaker, for a countervailing duty investigation. There is no subisdy to Canadian lumber producers. The government will be working closely with the Canadian industry and the provinces in mounting the best possible defence in fighting these allegations of subsidy.

Madam Speaker, in conclusion, Canada is in a better position to fight the U.S. countervail action than we were in 1986. In addition to the changes in provincial stumpage policies and market conditions, Canada now has access to binding dispute-settlement provisions.

[*English*]

DE HAVILLAND

Mr. Sergio Marchi (York West): Madam Speaker, I am glad to have the four minutes or so available to me to discuss a question that I posed to the government benches on October 4 and 5. It is in regard to the government's lacklustre commitment, or failure to endorse in strong language, the continuation of the success story that has marked the de Havilland Corporation of metropolitan Toronto.

We on this side of the House have tried to convince the government of a number of realities. The first is that de Havilland happens to be the flag ship for our Canadian aerospace industry. It also happens to be the largest single industrial employer in metropolitan Toronto. There are currently some 4,900 workers directly employed at de Havilland, despite the fact that Boeing has announced that starting January 1,300 of these individuals would be laid off. The other important factor is that for every direct job at de Havilland there is approximately four created in the small business sector

which feeds in both contracts and supplies in terms of aerospace parts for de Havilland Corporation.

• (1730)

De Havilland is very crucial economically to metropolitan Toronto and indeed to the province of Ontario and to the country so far as employment in contracts across Canada, including the province of Quebec, in very significant measure, but also the aspect of a federal government being able to promote a national aerospace industry like any other country of the western world.

In response to our questions the minister of industry actually suggested that the ball is in the provincial court. If there is an initiative for assistance and promotion it ought to come from the provincial governments. We find on this side of the House that that is a complete abdication of any national responsibility to support and sustain our aerospace industry.

We have already gone down the path of the Avro Arrow. We know what that did to the industry back then in terms of employment, in terms of research and development, in terms of morale. What we want to avoid is a repeat of history under the same Tory administration in 1991.

What we on this side of the House have been seeking is a clear, unequivocal assurance, not of passing the political buck to the provinces or the municipalities but clearly to say to the people of Canada that the federal government will endeavour to continue to support de Havilland. If no private interests come together to assist de Havilland, then this federal government must certainly carry out its responsibilities to the fullest to ensure that jobs, that research and that technology related to the aerospace industry remains in Canada for Canadians.

I am looking forward to the answer from the government benches this afternoon.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Madam Speaker, I would like to start by pointing out that the aerospace industry in Canada is a highly significant component of Canada's industrial base employing 64,000 and generating $8 billion in sales, of which $6 billion is exports.

[*English*]

Canada's aerospace industry has performed better than other companies throughout the world even if it has been performing in a highly competitive environment. The reason is that the aerospace industry in Canada counts on sales of about 30 per cent to the military while it is not the case in other countries throughout the world.

[*Translation*]

This government recognizes the aerospace industry not only for its economic benefits but also as an engine for technology development with spin-off benefits for other domestic industries. To this end, Industry Science and Technology Canada has for years supported, and continues to support, the R&D activities of the industry through cost-sharing in the range of 30 per cent to 50 per cent, which is generally repayable through royalties.

[*English*]

De Havilland in its early years after privatization achieved considerable market recognition and success with the Dash 8 product line. Now there are 286 Dash 8 aircraft operating world-wide as compared to 20 in early 1986. I fly in one every week coming and going to my riding.

De Havilland received support from Industry, Science and Technology to develop and enhance the Dash 8 product line which improved the technical attributes and attractiveness of the product.

Boeing decided to sell its interest in the company in 1990 and shortly thereafter the economic recession and dramatic downturn in airline travel resulted in a severe slump in demand for commuter aircraft. The effect of the slump was a weakening of de Havilland's order book which may necessitate production rate cutbacks as we know involving employee reductions. We are confident that with the upturn in the economy de Havilland will regain its place as a high technology company and as a dynamic enterprise that will continue to provide a major economic impact in the Toronto area and also on the Canadian industry scene.

We feel confident that de Havilland can bounce back and the government is prepared and committed to support any moves that are made in order to maintain de Havilland as a effective and strong company.

[*Translation*]

AGRICULTURE

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, a few weeks ago, on September 24, I asked the Minister of Agriculture a question on joint plans for the Canadian dairy producers. I got an answer from the Prime Minister in the absence of the Minister of Agriculture. It was far from satisfactory anyway.

Basically, the problem is that dairy producers in Quebec have decided that it is extremely important that production costs be included in the formula according to which the actual production costs of 70 per cent of the most productive farmers be used as a basis or basic criterion applied to all Quebec dairy producers.

There seems to be a concern within the Quebec farmers union, and rightly so, since the advisory committee has learned through the office of the Minister of Agriculture that the rate of $43 per hundred weight of milk was going to drop by about 5 per cent.

In other words, our farm producers, particularly our dairy producers, are under pressure because of this drop in the hundredweight price. At present, a farmer with 35 to 45 dairy cows earns around $26,000 a year. This is not much, as you know. In fact, that is barely more than minimum wage if you factor in all their hours of work.

What are the Quebec farmers and dairy producers most concerned about? They are concerned about the pressures exerted, and this must be pointed out, by the Agriculture Department to take into account the US dairy production, the world cheese price and maybe other factors, so that the price of milk in Canada may drop by 5 per cent. You cannot operate that way. We have a supply management system which has proven very beneficial. Quotas are valuable because we have a fair and equitable system to maintain milk prices, and dairy producers who abused the system were penalized, as we know.

That is why basically our farmers are worried about these negotiations, and rightfully so. When we look at dairy production in Canada since we know that 48 per cent of it comes from Quebec, its 13,500 producers, they have every reason to be concerned. This sector of the agri-food industry is very important for us. Madam Speaker, I would like to reassure them through the hon. parliamentary secretary, if he could deal with the criteria applicable to dairy production.

[*English*]

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am very pleased to be able to respond to the concerns the hon. member has just raised.

In particular, with regard to the pricing of milk, about two and a half or three years ago there was a dairy task force that was established by the then Minister of Agriculture, the present Minister of Finance, to try to make sure that we keep a very competitive up-to-date dairy industry in this country. Whether it was in Quebec or any other province, it would not matter, it would make sure that it is a competitive industry across this nation.

Our consumers and the people of Canada have become very used to a good quality, wholesome product which we expect and should expect. They have met that standard. They have met the challenge of doing that. They have provided very, very good products to us.

Pricing of the product has been taken over through a recommendation by the task force. The government does not set the prices for that milk as I understand it today, if I understand the member's question properly.

• (1740)

I know this past summer the pricing of milk was changed from a different way of measuring the fat content or the skim milk part of the product to a different system. If there has been any reduction it would be because of the different way of pricing but fair, I believe, right across the country.

The most important thing is the negotiations we believe that are taking place at the GATT because this is where article XI allows us to control imports of dairy products into this country, and poultry products as well. This is very important to us, and we are vigorously supporting article XI. We have support from other nations around the world, but that is a very strong and important element to the continuation of our supply managed sector.

Our position has not changed since it was developed and has remained steadfast. We hope that with that and with all the stakeholders being involved we will give the dairy producers the confidence they need to continue the fine work they have been doing.

HOUSING

Mr. Joe Fontana (London East): Madam Speaker, in September I had asked the minister of housing, and the parliamentary secretary got up and answered, my simple question: When is the government going to introduce its 5 per cent down payment for new home buyers?

The Canada Mortgage and Housing Corporation has had a proposal before this government that would reduce that insurable limit of a home's value to 95 per cent. Currently we have a minimum of 10 per cent down payment which is required for a mortgage. The proposal that the government has been studying, and has before it, is one that would call for a 5 per cent down payment. It is supported by everyone from the Canadian Real Estate Association, Canadian Home Builders, to the potential new home buyer. Everyone is supporting this proposal except this government.

I think the federal government has failed to understand the importance of what the recession has done to the housing sector. Hundreds of thousands of construction workers have been laid off and construction companies have even gone bankrupt. Surplus inventories in new houses will ensure that the new work will be slow in coming and the supply of materials and workers will shrink continually as the recession lingers and consumer confidence remains low.

A 5 per cent down payment is a tried and true mechanism that will encourage housing construction and the 95 per cent NHA insured mortgages were the benchmark financing mechanism between 1960 and 1982.

A study by CMHC indicates that a 5 per cent down payment would open up the housing market to some 200,000 families. About 10,000 to 15,000 this year alone would be able to take advantage of this new proposal. Studies have also indicated that in the current economic environment the lower down payment would result in only marginal and easily manageable risk to the mortgage insurance fund managed by CMHC.

In other words, there would be no cost to the treasury.

The recent stability of housing prices and the decline in interest rates make it an ideal time to introduce the 5 per cent down payment program. Currently the over-supply of housing, high unemployment in the industry, the stabilizing of high house prices, decrease in interest rates, the fact that it will not cost this government treasury any money, and the 5 per cent down payment should provide a stimulus to the housing sector which is so badly needed.

The government in its answer to my question in September said that simply lower interest rates would be enough to bring the buyers back into the market. That simply is not going to be enough. The housing industry now is faced with an interesting dilemma. Consumers are waiting for this announcement. The word has been out that the government will announce it soon and therefore there has been a hesitancy on the part of home buyers to want to purchase that home. The government needs to answer the industry's claim that the time has come for this 5 per cent down payment and it can finally announce this program so that it can get on with putting people back to work, putting people in new homes, and essentially getting people off the unemployment roles.

I would again urge and ask this government if it is prepared to announce today the initiation of the 5 per cent down payment for first time home buyers.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I would like to thank the hon. member for his question concerning the creation of housing construction jobs through the introduction of a 5 per cent down payment for first time home buyers.

We have to recognize that today's generation of homeowners often remembers the level of down payment as the single most important obstacle it had to overcome when it purchased its first home.

Many of those who became homeowners in the 1960s and 1970s would not have been able to purchase a home had they been required to provide a down payment of more than 5 per cent.

Ninety-five per cent of the NHA-insured mortgages were the benchmark financing technique from 1960 to 1982.

Canada Mortgage and Housing Corporation is looking at a variety of ways to help Canadians everywhere access home ownership. One possibility is by once again offering a government-backed mortgage insurance for down payments as low as 5 per cent.

CMHC officials estimate that reducing down payments to 5 per cent would allow up to 200,000 Canadian renters with a reasonable opportunity for home ownership. Of these, there could be some 10,000 potential first-time home buyers in the first year.

The support of the Canadian Home Builders Association and its affiliates for 95 per cent NHA mortgage insurance is very much appreciated. CMHC recognizes that the home building industry is a vital factor in the Canadian economy providing jobs for many skilled tradespeople.

CMHC is encouraged to note that on a national basis housing starts are expected to rise 21 per cent to 178,000 units in 1992.

Canada Mortgage and Housing Corporation wants to help first-time home buyers weigh all their options and make sound decisions. Ninety-five per cent mortgage financing is certainly one of the options being considered.

We will be pleased to advise this House and the hon. member as soon as a decision has been reached on this important matter.

ILLICIT DRUGS

Hon. Chas. L. Caccia (Davenport): Madam Speaker, today in *The Toronto Star* a report was published on the preoccupation in the mind of municipal voters in metro Toronto. From that study, we learn that the most important problem in the mind of municipal electors on metropolitan Toronto is crime, law and order to an astonishing degree where it peaks in the city of Scarborough, and to a very close second, I believe, in the city of Toronto.

Evidently we have here a preoccupation that is deeply felt in the heart of every neighbourhood across the city.

This brings me then to the issue of illicit drugs and the anti-drug enforcement which in the past five weeks I have raised in this House by way of a Standing Order and then by way of a question of the Solicitor General who sought to give me quite an encouraging answer on September 24. At that time, to my question as to whether the federal government would refund or return a share of the funds seized by the RCMP in drug arrests, the answer by the Solicitor General was that he knew that this bond had been made previously by various police officials and mayors across the country and that he, having acknowledged that this is a valid point, would look into this matter. I am quoting here from page 2636 of *Hansard*:

> —we are looking at the possibility of returning funds spent on investigations to the various jurisdictions.

The Solicitor General went on to comment on the fact that the National Drug Strategy announced by the Prime Minister is a five year preoccupation which expires in 1992. While we appreciate the complexity and the difficulty of this issue, even the best friends of the Prime Minister could not claim that this National Drug Strategy has been a resounding success. In the last four years the issue has deteriorated and, as shown in this survey conducted by *The Toronto Star*, it is now so deeply felt that it tops the polls, so to say, in metro Toronto. I suspect that this is not an isolated occurrence. In conclusion, I would ask the parliamentary secretary whether she could tell us when the minister will make a decision on this request made by politicians of all parties in this House, I presume, and also by mayors and reeves across the country on returning a portion of the funds that accrue from certain RCMP initiatives to which the various police forces have contributed as well in the course of their investigations and seizures and the like. Also does the government have a specific plan in mind to strengthen the national drug strategy which, at the present time, seems to be rather weakly implemented when it comes to the regional and the local level.

[*Translation*]

Mrs. Monique Tardif (Parliamentary Secretary to Solicitor General of Canada): Madam Speaker, I would like to start by thanking the hon. member for Davenport for his particular interest in public safety. He is, of course, concerned about an article expressing the concerns of the people of Toronto, but I think every memberof this House would agree that these concerns are shared by all Canadians.

A number of police forces, particularly in Metro Toronto, have been calling for the return of a portion of the assets forfeited as a result of their investigations. It is suggested that these forfeited funds could be used to enhance their drug demand reduction activities through education, and prevention.

The Solicitor General fully supports the balance of supply and demand reduction efforts by the police. Police forces across Canada have done an exceptional job in this respect, and I am confident that they will continue to do so. I am also aware that many departments are feeling the effects of fiscal restraint. They must do more with less. To their credit, by working smarter, police forces have met this challenge well.

Proceeds of crime investigations can be costly. The recovery of forfeited proceeds is certainly one possible way to finance these complex and time-consuming investigations. However, careful consideration must be given to the question of whether asset sharing can be implemented without jeopardizing the impartial administration of the criminal justice system and the delivery of policing services in particular. This issue is being reviewed by the Department of Justice.

In the interim, as a partner in Canada's Drug Strategy, the Ministry of the Solicitor General will continue to work with police departments across Canada to reduce supply and demand for drugs. Federal dollars will continue to be used to assist police at all levels through contributions to research and development.

Specifically in the area of proceeds of crime legislation introduced under the Strategy, the Ministry of the Solicitor General, in consultation with the RCMP, is exploring ways to facilitate co-operation in anti-drug profiteering law enforcement. The ultimate goal of these efforts is to address the difficulties created by the time and labour intensive nature of proceeds investigations and to encourage the participation of all police forces.

Madam Deputy Speaker: The motion to adjourn the House now is deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at 10 a.m, pursuant to Standing Order 24(1).

The House adjourned at 5.50 p.m.

HOUSE OF COMMONS

Tuesday, October 22, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

SMALL BUSINESS

TABLING OF ANNUAL REPORT

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is nice to see your smiling face again in this House.

As it is Small Business Week in Canada I am very pleased to have the honour of presenting to this House the government's third annual report on the state of small business in Canada.

Mr. Speaker, I know that all hon. members share my strong admiration for the men and women who own and operate small and medium-sized businesses in Canada. The report I am tabling today is entitled *From Best Practices to Competitiveness* and it profiles these entrepreneurs and highlights many of the practices they have used to be successful.

The Government of Canada is committed to programs and policies which support the growth of the small business sector. I invite all hon. members to study the report I am tabling today in order to enhance their understanding of small business practices. I urge everyone to join me in congratulating the enormous accomplishments of small businesses in Canada.

Some hon. members: Hear, hear.

* * *

FINANCE

FIRST REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Finance in connection with the Bank Act, Bill C-19, that is reported to this House with amendments.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Howard Crosby (Halifax West) moved for leave to introduce Bill C-315, an act to amend the Criminal Code (evidence concerning sexual activity).

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Crosby: Mr. Speaker, the simple explanation of this bill that I have introduced in the House of Commons is to restore the sections of the Criminal Code commonly known as the rape shield law.

Let me make this brief remark. This is my response to the outcry from women across Canada on the decision of the Supreme Court of Canada invalidating the rape shield law. This bill would allow us to use our constitutional power to reinstate the relevant provisions of the Criminal Code.

May I make one more comment, Mr. Speaker, and it is this. The women responsible for the "Take Back the Night" crusade offer a simple guide, yes means yes and no means no. It is a national shame that some of the judges in the Supreme Court of Canada do not recognize the social value of that simple rule. If we really intend to stop violence against women let us restore the rape shield law.

The Acting Speaker (Mr. Paproski): Mr. Crosby moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Routine Proceedings

MEMBERS OF PARLIAMENT RETIRING ALLOWANCE ACT

MEASURE TO AMEND

Mr. John Harvard (Winnipeg St. James) moved for leave to introduce Bill C-316, an act to amend the Members of Parliament Retiring Allowances Act (age of entitlement, suspension of allowance and review committee).

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Harvard: Mr. Speaker, this bill addresses a couple of major concerns relating to MPs' pensions. If passed, this bill would hold back pension payouts until the age of 60. Also it would prohibit future retired MPs from drawing both their parliamentary pension and a federal salary.

The Acting Speaker (Mr. Paproski): Mr. Harvard moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

PETITIONS

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I have the honour to present a petition signed by people in Dubuisson, Val-d'Or, Vassan, Ottawa, Aylmer and Orleans who respectfully submit to the government that the rules concerning compensation for pregnant women do not reflect all the requirements of their working conditions. The possibility of preventive withdrawal for pregnant women is a desirable and necessry option for working women.

For these reasons, they humbly ask Parliament, when it reviews the Canada Labour Code, to seriously consider the deficiencies in it and recognize the need to include in the Code clauses for the preventive withdrawal of pregnant women, with pay, Mr. Speaker.

GUN CONTROL

Mr. Guy Saint-Julien (Abitibi): I have another petition, Mr. Speaker, concerning firearms. The petitioners are from Monkland, Cornwall, Summerstown and St. Andrews, Ontario and say that the accessibility of firearms is a key factor in homicides, accidents and suicides. Many types of weapons are easily available in Canada but not necessary for legitimate purposes like hunting and competitive shooting. They ask Parliament to legislate now to forbid anyone with a criminal record to own a firearm.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 57 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 57 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 57—**Mr. Caccia:**

For the 1991-92 fiscal year, what is the amount of dollars approved for each federal riding under the SEED Program for youth employment?

Return tabled.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1020)

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway) moved:

That this House take note of the Prime Minister's recently stated commitment to the principle of linking government aid to respect for human rights and, in light of documented violations of human rights in countries such as Mexico, China, Zaire, Indonesia, Iran, Kenya and others which currently receive Canadian financial support, that this House urge the government to discontinue immediately Canadian participation in the Canada–United States–Mexico free trade negotiations and to review immediately all international support programs to ensure that they meet the aid criteria as announced by the Prime Minister.

He said: Mr. Speaker, I will be sharing my time with my colleague from Esquimalt—Juan de Fuca who will be focusing in particular on the situation in Mexico and the implications of human rights in Mexico on the North American free trade deal.

As I said, we welcome the words and declarations of the Prime Minister during the past week at Commonwealth meetings both in Gabon and in Zimbabwe when he said "that Canada will not subsidize repression and the stifling of freedom, that nothing in international relations is more important than respect for individual freedoms and human rights," and when the Prime Minister said here in Canada that "human rights form a very important component of foreign policy for Canada".

There is a huge gap between reality and rhetoric when it comes to this important principle. I would remind the House that it was four years ago that the Standing Committee on External Affairs and International Trade, chaired by William Winegard, the member for Guelph, strongly recommended to the government in its unanimous report that in fact Canada should link clearly and explicitly its policy on human rights with its policy on aid.

In 1988 the government indicated that it was prepared to implement that particular principle. The excellent report of the standing committee in 1987 called for a comprehensive set of guiding principles for a CIDA policy unit to identify human rights abusers and to advise on trends in each recipient country, for annual reports to be made public by this unit and sent for review to parliamentary committees and for a clear linkage between development and arms control. As the Canadian Council on International Co-operation has pointed out this must be a transparent and open process.

What has happened in those four years since the Prime Minister suddenly discovered the importance of human rights in international financial transactions? Just today the Canadian Council on Churches and the Interchurch Fund for International Development are releasing a major report on Canada's record on foreign aid. That report is a scathing indictment of the policies of the Conservative government on aid.

They say that CIDA is moving further and further away from the real development issues that face the poorest countries. They say that CIDA has moved to a single neo-conservative development strategy, that CIDA's present course is a betrayal of its best contributions of the past. They point out that Canada has not come close to reaching our 1970 target of .7 per cent of GNP. In fact in real terms we have cut back on foreign aid, that our aid budget ranks tenth among the 12 largest donors when it comes to social spending, when it comes to spending on real human needs, and that we have not moved nearly far enough on the question of tied aid.

This government has said that they intend to implement human rights considerations when it comes to aid and once again we welcome that. But it is also important that in looking at other financial assistance and financial transactions that similar human rights considerations must apply.

When we are talking, for example, about lines of credit to other countries surely we have to look at human rights considerations in those circumstances as well. Perhaps the most glaring example is Iran and the fact that our government is prepared to extend a $1 billion line of credit to the government of Iran at the same time that the United Nations Human Rights Commission has found that there are a significant number of executions, repression of human rights, gross violation of the rights of women and children, that the officially announced executions for the first seven months of 1991 were three times greater than the total for the same period in 1990, that there is widespread public flogging of women, that a

woman was just recently flogged 35 times with a metal cable by the revolutionary guards and is now being ordered back by the Canadian government to Iran.

This is the government to which this country is extending a $1 billion line of credit. It is shameful and obviously sheer hypocrisy when it comes to preaching human rights in international financial terms.

We can look as well at the situation in Kuwait where we just extended a $500 million line of credit, despite the fact that Middle East Watch, a very respected human rights group, has found that murder, torture, arbitrary detention and unlawful deportation have been the tools of a campaign of vengeance against Palestinians and others in Kuwait.

Where are the human rights considerations in extending lines of credit to Kuwait and to Iran? Surely we must look at the question of extension of lines of credit at this very sensitive point in Middle East peace negotiations to Israel as well when human rights concerns have been expressed with respect to the conditions in the occupied territory and when Israel insists on additional settlements in the occupied territories.

We must recognize that this standard cannot simply apply to ODA. It must apply as well to lines of credit.

Who does Iran buy its weapons from? One of its chief weapons suppliers is China. China is one of the chief weapons suppliers to Burma or to Myanmar which is ruled by a 19-member military junta described by Amnesty International as guilty of systematic torture and routine murder. It is a country in which state sanctioned brutality is a nation-wide phenomena.

China is responsible for selling arms to Burma, to Iran and other countries. As far as Canada is concerned, it is business as usual with China, despite the fact that Amnesty has documented that hundreds of thousands of people in China, including prisoners of conscience, are arbitrarily and in some cases illegally detained under the country's blatantly unfair system of administrative detention.

We know that in the wake of the Tiananmen Square massacre the police rounded up leaders of the pro-democracy movement and that as many as several thousand have been detained. The trials have been held behind closed doors, despite the call by Canada and other countries to open up those trials, to ensure that international observers can be present.

We recognize, of course, the progress that China has made in feeding its people despite tremendous adversity and in housing its people. Surely, Canada cannot remain silent on these abuses of human rights.

I note as well that Canada nominated China to the United Nations High Commission on Refugees, to an executive position there, as rapporteur despite the fact that we recognize China is a refugee producing country.

I could go down the list of other countries which are major recipients of Canada's foreign aid. Indonesia has been involved in the brutal suppression of the people of East Timor for some 15 years, with numerous killings, oppression, abuses of human rights. There has been the ruthless suppression of the rights of the people of East Timor, and yet Canada is actively involved in a financial sense in that country as well.

Kenya, where President Daniel arap Moi has suggested that he wants to hunt down like rats, those who have the audacity to oppose his dictatorial regime in that country. Kenya, a country in which prisoners of conscience have been held without charge or trial. In a number of cases, Canada provides $30 million a year to Kenya.

[*Translation*]

It is the same thing in Rwanda, dictatorship. Canada has subsidized the dictatorial regime in Rwanda, while the Prime Minister talks about respect for human rights. There is hypocrisy and a double standard, Mr. Speaker. Such double standards are quite unacceptable!

The same thing happens in Zaire. Canada gave a grant of some $70 million to the repressive Mobutu government in Zaire. Where are the human rights standards, Mr. Speaker?

[*English*]

Is the Prime Minister in fact a born again convert to this concept of linking human rights with financial aid as part of his campaign to become the Secretary General of the United Nations? We do not know.

We know he has tremendous support from his Conservative colleagues, but we have to ask ourselves: Why is there this last minute conversion to the principles of linking human rights with financial aid and financial support? Why is that? Why are they not practising what they preach? Why are they not practising what they preach in Central America, in Guatemala and in El

Salvador where the Central America monitoring group has documented very clearly the fact that we have bilateral government to government aid relations with those countries which are obviously guilty of profound human rights abuses? They are guilty of denial of rights to their own people.

• (1030)

We know as well about the concerns about the impact of structural adjustment policies in our aid as well.

Finally, Mr. Speaker, let us talk for a moment about the status of women. The Prime Minister in his speech in Harare, Zimbabwe, spoke about the importance of the Commonwealth setting the pace in ensuring the equality of women in all sectors of society. Yet Canada is selling 1,117 light armed vehicles to the fundamentalist regime in Saudi Arabia, a regime which has been denounced for its torture and ill treatment of detainees, a regime in which women are denied basic political and social rights.

Quite clearly there is a profound double standard in this government's approach to human rights. The Prime Minister, when he is outside the country, when he is in Zimbabwe, speaks about the importance of linkage of human rights and aid. We support that linkage. We have supported it since we joined in supporting the 1987 report. However, in closing, the time has come, Mr. Speaker, to match words to action. It is time to ensure that human rights are taken seriously by this government.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I thank the hon. member for his very interesting survey of the violators of human rights with whom Canada has trade and aid relations.

I would like to ask the hon. member if he can comment further on the trade side of it since there is far more money involved both ways in trade. He has referred to tied aid, but I would like him to explain what the percentage is of Canada's ODA aid which is tied and what that tie means, not only for the profit of Canadians, but sometimes to the disadvantage of the country supposedly being aided.

Mr. Robinson: Mr. Speaker, I welcome the question from the hon. member because it does point out another glaring inconsistency in this government's policies with respect to aid.

The fact is that the government declared its commitment in 1988 to untying at least one-third of government aid, and that still leaves a very high proportion of tied aid. Yet that target is far from being met by this government.

Instead, we have a situation in which only 5 per cent of the aid which is accorded by Canada to needy countries goes to meet basic human priorities such as family planning, clean water, primary education and primary health care. In fact, the United Nations human development report of 1990 was very critical of the very, very small proportion of Canadian aid which is going to serve basic human needs. The OECD was critical of what it referred to as a significant decline in Canadian aid, and the United Nations in its human development report pointed out that much of Canadian aid was in fact misdirected.

I want to take this opportunity as well, Mr. Speaker, just to note that nine of the ten top recipients in the Commonwealth of Canadian aid—and I am not even speaking here of trade, but I am speaking specifically of aid—routinely held political prisoners in detention without trial, according to Amnesty International last year, and more than one-half of them tolerated torture and extrajudicial executions.

Yes, it is important to talk about aid, but we also need to have a trade policy, a policy with respect to lines of credit that reflect that commitment to fundamental human rights. It is not good enough to say we will extend lines of credit for hundreds of millions of dollars in Mexico, in Kuwait, in Iran when what that does is allow the governments of those countries to spend even more money on the military.

Pakistan, for example, spends three times as much money on the military as it does on basic human needs. It is time that Canada recognize that our country simply cannot allow it to be business as usual in these circumstances. We must stop, for example, welcoming with open arms Nicolai Ceausescu to this country. Some people have short memories. In 1985, he was welcomed with open arms. We have to promote business, we have to promote trade.

It is time we stopped this hypocrisy and recognize that Canada must have one human rights policy.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, on a personal note I want to say how pleased I am to see the chair being occupied by our Deputy Speaker who was unfortunately ill for some time but has now returned to this Chamber.

Some hon. members: Hear, hear.

Mr. Barrett: Under the calmness of the Deputy Speaker's chairpersonship I will make my comments to impress the House about the importance of this particular debate.

I will take just a couple of moments to congratulate my colleague, the member for Burnaby who has outlined clearly a continuation of a debate that took place in this House relative to the gulf war.

You will recall, Mr. Speaker, the high statements made by the former minister of external affairs about ending the arms race, and the pious statements made some months ago in this House by the Prime Minister and the former minister of external affairs that we have to control the international arms race.

My colleague has outlined in his speech how we are contributing to the continuation of the international arms race, and the high sounding, high-falutin speeches of the Prime Minister and the former minister of external affairs turned out to be hollow and empty. It came as a shock and disappointment to me as a *nouveau* member of this Chamber, but what comes as even more of a shock to me is the repetition of the same kind of transparent statements taking place regarding the defence of human rights while at the same time acting differently as government. The same parallels exist: statements about actions on this way but actions taking place in reality in an another way.

I relate this whole debate to the question of our sitting at the table with the nations of Mexico and the United States. The issues of human rights, labour rights and environmental rights relative to the free trade discussions among the United States, Mexico and Canada were raised in the U.S. Congress and the U.S. Senate.

Last May I had the opportunity of appearing before a budget task force committee outlining my party's concern about the human rights aspects as well as the economic aspects.

President Bush was so concerned about the opposition in Congress and in the United States Senate that he was forced to set up a parallel study in the United States relative to the environmental issues, the labour issues and the human rights issues.

If this government is to be believed to be sincere, how can it sit at the table with the Government of Mexico, knowing in advance the catalogue of violence, torture and frankly murders that taken place in Mexico, catalogued by Amnesty International, and at the same time make pious statements about human rights relative to economic matters?

I want to refer to a recent column in *The Winnipeg Free Press*. It is not known as a social democratic organ or outlet. I want to quote just the first few paragraphs of a column written by Frances Russell. She says:

> Like most giant corporations the Ford Motor Company has moved to the maquiladoras, the Mexican free trade zone along the U.S. border.
>
> In 1987, the employees at Ford's Cuatilan plant earned $2.35 an hour, a generous salary compared to the average maquiladora manufacturing wage of 98 cents an hour.
>
> Suddenly, Ford shut down the plant, laying off all of its employees.
>
> Three months later, the company's doors reopened, but this time, the employees were offered only $8 a day. Their benefits and vacations were cut in half.

Workers demonstrated, which is their right in any civilized country. The consequence of that demonstration was that a blood bath followed. She continues:

> Thugs attached to the Mexico's government labour organization, the CTM, stormed the plant, killing one person, shooting nine more and sending an additional 40 to hospital.
>
> Subsequently, Ford president Harold Polling denied all knowledge of the incident to the United Auto Workers.

There is a catalogue outside Amnesty International of over 80 trade union activists who were murdered or who disappeared in Mexico over the last 36 months. We should contrast that statement to the response to the questions made by the then Minister for International Trade, now the Minister of Fisheries and Oceans in front of a committee just last year. Last October the Minister for International Affairs assured the external affairs and international trade committee that when it came to the North American free trade agreement "Canada is always

prepared to take a high moral plane". The plane left the ground without any facts. The high moral plane is ignoring the violation of labour rights, human rights and, as a matter of fact, organized thuggery under the approval of the Government of Mexico. Again I say it is documented.

• (1040)

Why is Canada at the table with the Prime Minister of this country making such statements as: "Canada will not subsidize repression and the stifling of freedom". It is a very bad taste in the mouth to have to repeat these words in light of what is going on in Mexico.

With deep disappointment I have to refer to the divisions inside the Liberal Party regarding this matter. I hate to bring this up again, but since the loss of the previous leader of the Liberal Party the Liberal Party is now back on the fence on this very important issue.

I quote from the October 16, 1991 issue of *The Globe and Mail* or *The Globe and Flail* as it is commonly known, where the hon. member for Willowdale, the Liberal industrial critic, said: "Canada needs to be involved in continental trade negotiations to protect our national interests. By participating Canada can renegotiate the Canada–U.S. pact". What a pile of nonsense. The fact is that this House, regardless of party, should stand and say that Canada as a nation will not sit at the table to negotiate a brand new trade agreement with one of the major violators of human rights.

How can the Canadian government and the Official Opposition suggest that these talks go on while violation after violation after violation of human rights is catalogued in Mexico? I quote the Prime Minister again: "Canada will not subsidize repression and the stifling of freedom".

I want to continue to quote the former minister of trade: "We should support the trade union organizations and shorter working hours". That is not what is happening in Mexico, and he was referring to Mexico. He said: "Workmen's compensation and all these things we have here in Canada, we want to see elsewhere. But I do not think unilaterally we can impose them on Mexico. Those are domestic matters for them to decide".

What position are we dealing with here? The Prime Minister lecturing other countries on human rights or the former minister of trade saying that we will not interfere in the internal matters of another country, particularly when those matters are so devastating to human beings and labour organizations.

You cannot have it both ways, regardless of the interpretation of the motivations of the Prime Minister. Should he indeed be seeking another job? The polls advise that would be the best and most prudent advice he could take. Nonetheless, one cannot have the idea of saying one thing about human rights here to promote one agenda, while at the same time another minister is saying: "We will not interfere with the internal matters of another country".

If I could say the word "hypocrisy", I would say it. But I know it is not parliamentary so I will not say it. Should it come from my mouth, I would withdraw it, Mr. Speaker.

Having said that, I want to say that this place is being measured by Canadians from coast to coast. It is being measured on the basis of seeing whether or not we really mean what we say in this Chamber, or as each week slips by do we say one thing and then something else? This conflicting statement between the minister and the Prime Minister is obvious.

The motto of this government is: "If we are going to give you money, we will tell you that you must behave yourself. But if we are going to make money out of you, we do not care what the hell you do". That is the blunt double standard that exists and I for one do not want any part of that. I beg the Liberal Party to end its confusion about this matter.

My last comment is: when I asked in committee that the all-party committee travel to Mexico to verify these matters as they were presented to the committee, with the support of the Liberal member from Winnipeg, that request was turned down by the committee. No one from the parliamentary committee has stepped a foot in Mexico to report back to this House about what is going on there before we continue these negotiations, no one. Blindly the committee was kept here in a cubby-hole downstairs, a comfortable cubby-hole nonetheless, with

no access whatsoever to talk to Mexicans in the trade union movement or Mexicans in the religious community about what is really going on. The agenda is dictated by money, money, money.

That is not morality. That is the word that I cannot use and I will not use it.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, first I want to congratulate the member from Burnaby for having the initiative to advance this debate on the floor of the House of Commons today. This very debate took place in my riding last Saturday morning. It started at 7.30 at the Albion restaurant on Queen Street. We never ended it, so I am happy that we are continuing it here today.

I do have a very specific question for the member for Esquimalt—Juan de Fuca. About three years ago I had the opportunity of spending a couple of weeks in Riyadh, Saudi Arabia. This is a country where human rights violations are quite public and quite dramatic. Hands are cut off and heads are cut off in a public forum when people are caught. Whether it is stealing or molesting women, one knows of the severe examples in Saudi Arabia. This was pretty shocking to me. I did not think that this kind of thing continued today. At the same time I discovered that through Bell Canada over the previous 10 years we basically set up its entire telephone network system. There were close to 40,000 Canadian jobs involved in putting this telephone infrastructure in place. Billions and billions of dollars went into manufacturing in every part of this country.

I am not supporting human rights violations but I want to be quite specific in my question. Do I understand the member correctly? Is he saying that that contract should have just been refused or turned down? If so, I would like to include that we just finished going through a Canadian National Exhibition in Toronto where our premier basically opened the Saudi Arabia exhibit and encouraged further trade ties to this same country where there is human rights oppression. I just need a bit of assistance on how dramatic he is proposing we should be.

Mr. Barrett: I have always been impressed with that member's thoughtful and profound observations and questions. It is a very serious problem. Of course we need to expand our trade and a high moral plane is a desirable goal. We have to face reality on the basis of issue by issue. However, I would like to point out that obvious violations demand action by a government.

Let me give some historical examples. During 1940, before the United States came into direct conflict with Nazi Germany and our Commonwealth was struggling to maintain its freedom, behind the united effort of all political parties in the Commonwealth it was discovered that the Texaco Oil Company was selling airplane fuel, high octane fuel through Spain to Nazi Germany. There was an international outcry and the United States government under then President Roosevelt tried to take an initiative to stop those sales, but the overwhelming sense was business as usual.

On reflection, had a moral stand been taken against that kind of activity in 1940, the Luftwaffe would have been handicapped earlier than the devastation of the Battle of Britain. These are documented facts.

• (1050)

What do you do? You make a decision on morality. What we are calling for in this imperfect world is an attempt to review every single one of these deals and potential deals on the basis of some sense of morality. We are not perfect human beings.

In the early 1970s I was confronted with a similar situation in trade with South Africa. As a government in British Columbia we unilaterally cancelled all importation of liquor products and wine in the B.C. liquor stores and made that our statement in any other contract with South Africa.

It cost us a tax politically and it cost us a tax financially, but we made that decision on a moral ground. On the same basis I am asking that as human beings we sit down with industry, with the Canadian people and ask: Is the high price for this deal in terms of moral standards greater than the economic benefits?

I do not know. I do not have a formula, but when I am given obvious information such as what exists in Mexico, it seems to me that there is no economic benefit from us backing away from the table and saying: Look, we will sit at the table with you when you clean up your act. Even the President of the United States has been forced to set up parallel investigations in response to Congress and the Senate.

This Chamber in a sense is no different from the Congress and the Senate in dealing with these moral problems. What frightens me and frankly angers me,

with no evil intent implied to other human beings, is that we cannot even get it straight from the government of the day where it stands.

On the one hand the Prime Minister lectures countries in Africa and on the other hand the former trade minister says: "We will not interfere". That is puzzling. It is not fair. It is not right. It is not decent.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am happy to rise to take part in this debate because it is a very serious one as the member for Broadview—Greenwood has pointed out.

It is serious first of all because victims of human rights abuses around the world want us to have a consistent policy that is sensitive to their needs. Their hope depends on it. Their lives depend on it. They are looking to Canada to have a consistent foreign policy, aid policy and human rights policy that will continue their hope.

Second, Canada's reputation is on the line on this issue. Over the years, regardless of which government was in office, Canada has established a reputation for being concerned about human rights issues around the world. Therefore this is a very serious motion.

I note with particular interest that the Prime Minister who has now generated this debate by his statements did not make his statement about human rights abuses here in Ottawa, in the House of Commons or in the parliamentary press gallery. He said it in the presence of the leaders of the world, where we are concerned about human rights issues.

I notice that the member for Burnaby said that the Prime Minister is a recent convert to human rights issues. This gadfly from Burnaby, who has taken a new interest in this subject since he has been appointed to this position, has had a very convenient lapse of memory.

The Prime Minister raised human rights issues seven years ago when he was in Korea where there is a right wing regime. He has gone to what would be called left wing regimes and raised human rights issues there. I want this member to know that the Prime Minister has been consistent wherever he has gone in raising human rights issues, regardless of the kind of regime that was in office. He is not a recent convert. He has done it consistently. It was the Prime Minister's initiative that raised the whole matter of embargoes on South Africa.

It is just not true, as the member for Burnaby has said, that the Prime Minister is a recent convert and has suddenly discovered the issue of human rights. If we want to do justice to this debate the first thing we have to do is be honest, accurate, factual and non-partisan if he is really interested in it. While the motion is a very serious one, I am not too sure that it can be taken seriously because of the way it has been put.

The member for Burnaby has conveniently referred to one excerpt of the Winegard report of 1987 regarding Canada's foreign aid policy. I happened to sit on that committee, as did his colleague from Cowichan—Malahat—The Islands, the former member Jim Manly. Now I notice with particular interest that in chapter 3, entitled *Linking Aid and Human Rights*, the committee recommends that verifiable reports of violations, not ideology or strategic interest, be the basis for unfavourable assessments of human rights observance.

With that in mind let us turn to the motion which the member has put forward. He says in part:

> —in the light of documented violations of human rights in countries such as Mexico, China, Zaire, Indonesia, Iran, Kenya and others which currently receive Canadian financial support, that this House urge the government to discontinue immediately Canadian participation in the Canada-United States-Mexico free trade negotiations—

We know that New Democratic Party members are opposed to the North American free trade agreement. They were opposed to the United States-Canada Free Trade Agreement. That is an ideological position that they have taken. They are entitled to it, but why is it that they have taken an ideological position on free trade with Mexico? Why do they now want to inject human rights issues into that area?

I noticed with particular interest the good question put forward by my friend from Broadview—Greenwood regarding trade with Saudi Arabia. But the member for Esquimalt—Juan de Fuca never did answer his question. The question very simply put is: Should Bell Canada install a telephone system in Saudi Arabia, a regime which is guilty of human rights abuses according to Canadian standards? It is a very simple question. Should

the premier of Ontario open the Saudi Arabian pavilion at the Canadian National Exhibition?

After agreeing that there are human rights issues in that country, the member for Esquimalt—Juan de Fuca again took the high road in saying: "the Nazi regime in Germany, pre-war and during the war, got fuel from Texaco". Somehow there was a little bit of a *non sequitur* there, a little bit of a lapse. He never did come around to answering whether or not the premier of Ontario, of the same party of the member who put the motion forward, should have opened the Saudi Arabian pavilion at the CNE.

It is well and good to take a gadfly approach to human rights in aid and trade but surely we cannot afford to do that. Why should we, according to this motion, list the human rights abuses in Mexico, China, Zaire, Indonesia, Iran, Kenya and others and because of human rights abuses in Zaire cut off NAFTA? It seems to me that there is an ideological position which they have taken and now they want to superimpose human rights issues on that ideological position.

The second problem I have with the motion is that it is very erratic. New Democratic Party members want to take the high road on this issue, but they are very selective in their concern about human rights issues.

I was in Nicaragua some years ago leading a parliamentary delegation with the Interparliamentary Union. The member for Trinity—Spadina was with us and General Ortega was in command at the time in Nicaragua. He thought he had come to a kind of socialist heaven. I recognize that the Somoza regime had filled the penitentiary behind the hotel where we stayed with political prisoners. It was an oppressive regime.

• (1100)

But when General Ortega came in and took over he emptied that prison and simply refilled it with political prisoners of his choosing, people that he felt should be in prison. When mothers of missing persons wanted to take part in a parade, they were prevented from taking part because that would highlight the human rights abuses in Nicaragua. But all the time that those human rights abuses were taking place in Nicaragua, members of the New Democratic Party and the former member for New Westminster, Pauline Jewett, kept saying that we had to increase aid. The member for Trinity—Spadina kept saying that we had to increase aid to Nicaragua. The former member for New Westminster kept asking why Canada did not open an embassy in Nicaragua to show good faith in the people of Nicaragua, to strengthen the administration and give them hope.

It strikes me that the members of that party have been strangely silent about the needs of the Nicaraguan people ever since there has been an election in that country.

If the member for Burnaby had included in his reference to the Winegard report the statement that verifiable reports of violations, not ideology or strategic interest, be the basis for unfavourable assessment of human rights observers, I think the motion would have been a little bit more believable.

We always need, in all of our programs, the opportunities for direct scrutiny to make sure that our motives, our operations and our principles are always square. We need that.

In that spirit I welcome the debate because Canada does have to re-evaluate its position. But I am surprised that when the member put forward the motion and made his speech and the member for Esquimalt—Juan de Fuca talked about all the discrepancies that he saw they did not take time to notice the response of CIDA to the Winegard report that the member for Burnaby—Kingsway made. They never mentioned it.

In the introduction of that report we read that the government intends to ensure among other things that Canadian development assistance does not lend legitimacy to repressive regimes, that victims of human rights violations are not doubly penalized by being deprived of needed help in addition to being deprived of their fundamental rights, that there be a constructive approach to human rights rather than a punitive one, and that development assistance appropriately targeted can contribute substantially to the cause of both development and human rights.

In short those are some of the items that CIDA has responded to in that report. It goes on to say that when countries show progress toward a marked improvement in their respect for human rights, Canada will reflect this progress in its decisions about funding.

I could go on. There are several pages to the response by CIDA to this report, but suffice it to say that when it comes to overseas assistance, development assistance and human rights assistance, Canada cannot afford a gadfly approach. We need a systematic, studied, co-operative approach with other countries of like mind to make sure that our policies support our goals of human rights, not the repressive regimes but the people who need support.

I want to indicate some of the things Canada has done in working toward a human rights approach in a systematic way.

First of all, let me point out that we have to look at opportunities wherever they are and that no situation is hopeless. Canada must identify the prospects which best offer hope for change. We have to look for those opportunities. They are not necessarily what we read in the newspapers. Through all our contacts, through NGOs, through our embassies and through our consular officials we must look for those kinds of opportunities.

The Canadian practice is this: to speak out against abuses in an appropriate way and in an appropriate setting so that our message does not create the opposite effect from that sought and that we may avoid the ending impression of self-righteousness. No one's record is impeccable when it comes to human rights.

I see the member from Comox taking notes. I want to remind him of something he certainly does not remember because he was not there at the time: there was a day when Mennonites were excluded from Canada by law, prohibited from entry into Canada. It so happens that in today's world Mennonites are held in high esteem when it comes to monitoring human rights and development assistance. Between the years 1919 and 1922 by law of the Government of Canada Mennonites were prohibited from entering into Canada.

Canada's history is not impeccable. We have not always been right and we have to avoid any kind of self-righteousness on this cause.

Second, we must focus on the real problems of implementing human right's standards and strengthening the multilateral network of instruments and technical assistance. I say this in juxtaposition to a gadfly approach. It is easy enough to get up in the House of Commons and enumerate—God knows there are plenty of opportunities—human rights abuses all around the world, all too many of them. If we are going to be a responsible administration, we have to work in a multilateral network of instruments and technical assistance and work together with other countries to make sure that we have a consistent policy.

Third, we have to co-operate for pragmatic changes. In discussions with new democracies we stress that we want to work with them as allies and partners to improve the situation in their region and to sustain reforms in their countries.

Fourth, we want to make sure that we have a long-term perspective. Human rights are partly a question of attitudes and changing attitudes takes time. Although sometimes changes can be spectacular, for example in South Africa and in eastern Europe, on a long-term basis we are progressing stage by stage.

Tailoring an appropriate Canadian policy response is the most difficult and sensitive part of human rights as a foreign policy issue. What we are seeking to do, in essence, is to take the policy instruments at our disposal and apply them in our relations with other states in such a way as to encourage or induce them into implementing internationally agreed standards of human rights.

The President of Mexico spoke in this Chamber not too long ago. I ask members to reflect on that speech. I ask them to ask themselves this question: Would it help the downtrodden, the poorest of the poor in Mexico, in Indonesia or in Saudi Arabia to quarantine Canada from every country in the world where there has been some human rights abuses? Should we quarantine and isolate Canada from the rest of the Third World, whether it be Mexico, El Salvador, Guatemala, Nicaragua or Zaire? Should we isolate ourselves totally until they meet our total criteria of human rights righteousness?

• (1110)

Again the member for Esquimalt—Juan de Fuca never did come to grips with the reality that exists in the world, that there is no such thing as a perfect world. We have to live in concert with other nations.

I would like the members of that party to explain to the House how they reconcile their desire on the one hand to have harmonious international relations with all countries of the world, a kind of world of *détente* and peace, and at the same time isolate ourselves from that world. How do you bring together those two clashing concepts? They have never reconciled that. On the one hand they want us to trade, to get along with everyone and to give development assistance to everyone. On the

other hand they want us to isolate ourselves from everyone.

There are objectives that Canada has developed over the years, regardless of what government was in office, that we have to maintain. Throughout the course of this debate members from this side—the member for Halifax West, the member for Edmonton Northwest, the member for Kitchener, the member for Louis-Hébert and the member for Don Valley West—are going to take separate entities of this motion and are going to deal with them fully.

I hope that this party will begin to try to reconcile where it really stands on human rights issues, whether it wants to see Canada isolated from the rest of the world or it wants Canada to participate and share with the rest of the world some of the ideals that are part and parcel of our heritage.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I first want to raise a point. It might be considered in some quarters as picayune but in fact the hon. member for Comox—Alberni was not taking notes today. He is returning from a massive victory in Saskatchewan. That of course was not a fabrication but it did resemble some of the elements of the speech that I think I would like to deal with in my comments.

The comments about Nicaragua I feel are grossly unfair. Nicaragua is involved in an enormous war, bankrolled, organized and executed by the United States, the Prime Minister's good ally. In the situation where we became involved in a war in Iraq, the member is surprised that there were actions taken in Nicaragua to deal with Contras who were at war with the government in Nicaragua and killing peasants and whatnot.

When we became involved in a war in Iraq, which the government supported, CSIS was around visiting Arab Canadians, intimidating them. It was a very questionable kind of activity. It comes very close to home when times of tensions go up.

Second, the Government of Canada helped the United States basically starve the regime in Nicaragua. It has to be remembered in the final analysis that in Nicaragua the government democratically changed. When Violeta Chamorro was elected there was no question of the government in a fair and democratic election standing down while the next government took it. The end of the Contra war certainly changed the circumstances in Nicaragua. This government did have a hand in starving that regime out of existence with the United States.

Another point I would like the member to address if he has a minute is our bilateral aid to El Salvador. Seventy thousand people died in probably one of the most repressive regimes that North America has seen in many years. I would recall to his memory the murder of the American church women, the murder of the U.S. land reform workers, the murder of many democratic political leaders such as Hector Oqueli and Mario Zamora, the murder of the Jesuit administrators of the University of Central America. It went on and on and on.

Because the United States insisted on bankrolling that filthy little regime with an abysmal record of human rights, this government and indeed the previous government under Pierre Elliott Trudeau also insisted on bankrolling it through bilateral aid. It dignified that regime because Canada felt that it was worthy of providing bilateral aid. It was an eyesore and a tremendous embarrassment to forward thinking people in this country.

Maybe on the question of Mexico we can prevent some of those if we in fact take a stand now that we will not go to the table with a regime whose human rights record is not in any way acceptable in this country. Rather than ripping the resolution apart, the hon. member might find some common cause with people on this side of the House.

I am sure the Liberal Party will support this motion that human rights are a priority. We agree with what the Prime Minister said. Possibly, the member for Surrey—White Rock might be able to find that it is time that Canada did take a stand. Let us put El Salvador behind us. Let us put some of the other gross abuses behind us also. We have a chance to really influence this one, to influence the United States to join common cause with us to change the human rights record of the regime in Mexico and encourage it to emulate the kinds of things that are happening here and in the United States.

Mr. Friesen: Mr. Speaker, I would like to answer several of these questions. There are a number of questions in this.

First of all, the fact that the United States bankrolled the demise of the Contras to bring about the end of the Ortega regime may well be true. I have no sympathy or truck with the kinds of regimes that are oppressive, whether they be right or left wing. If the truth were known, I think that when the war was over some of the Contras probably sold some of their weapons to the guerrillas operating in El Salvador. There was no moral compass guiding these people. Nobody would defend that. Does that somehow justify the oppression brought in by Ortega that had nothing to do with the United States, like the filling of the prison.

It was painfully evident in Nicaragua that the regime was maintained through the barrel of a gun. Every block had its committee for the defence of the revolution. It was a systematic, oppressive regime. In spite of that, Canada maintained aid to Nicaragua all during those years. That is where our foreign policy differed very much from that of the United States. We continued aid to Nicaragua during those years.

I was with the member for Spadina when we toured some of those projects in Nicaragua and I am sure he remembers that very well. Canada's aid continued during those days. That does not justify what General Ortega did.

Second, the member says that during the gulf war, CSIS "intimidated Arab Canadians". I take some exception to that. That is not true. That is not accurate. Canadians were asked to answer voluntarily any questions that CSIS would put to them. They were not intimidated.

If this member has evidence to the contrary, I would like him to stand in his place and give evidence to the fact that CSIS intimidated Arab Canadians. If this debate is going to have any value at all, it has to be accurate. It is unworthy of this member to make accusations like that without any kind of verification.

Mr. Skelly (North Island—Powell River): Mr. Speaker, a point of order. There was a very interesting, detailed program on CBC, the *Images* program the other night. The transcript of that would be very useful to the member, in which there is documented evidence and direct testimony of people who were harassed and with whom that operation of voluntary access was not an acceptable process. There is a very good transcript of that and I refer the hon. member to it.

• (1120)

Mr. Friesen: Mr. Speaker, I really would not say that a program on the CBC qualifies as direct evidence on something like this. I would invite him to bring it to committee, to raise it there and do it in a proper way.

I know that the member has been in El Salvador. He talks about the El Salvadoran regime. I had a constituent who maintained he saw the member in the Camino Royal Hotel in San Salvador meeting with guerrilla leaders. I know he has been there and has visited that regime. There again it bothers me that some of this debate gets ideological rather than fixing squarely on human rights.

With regard to Mexico I have a question to ask him. We have a deplorable gap between the rich and the poor in Mexico. All of us agree. We know that is true. Mexico now has an opportunity to move into at least the industrial age if not the information age. It can do that through NAFTA. I will concede that there are very likely some very bad abuses like the ones the member for Esquimalt—Juan de Fuca mentioned. There could be those. We have an opportunity to help the working class, the working poor in Mexico to rise from the position they are in now. Does he want to forgo that opportunity and keep them in Third World status?

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired. Questions and comments have now expired.

Mr. Skelly (North Island—Powell River): I rise on a point of order, Mr. Speaker. I have one more correction to the hon. member's speech. At no time did I meet with a guerrilla leader. He might be thinking of the right hon. member for Yellowhead with whom I met in the Camino Royal Hotel.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is my pleasure to rise today to participate in debate on the motion that was presented by the opposition today.

My colleague from Burnaby—Kingsway has spoken to the motion. I would like to say that at the conclusion of

my remarks today I would like to present an amendment to the motion on the floor today.

I would like to begin my remarks by saying that if the Prime Minister goes beyond the rhetoric of his words to actually substantive changes in our foreign policies with regard to the linking of human rights to aid, I know that many people in this country will be delighted and would thank him for the new directions that he is proposing.

It is not as if the government has not proposed a strict linkage of human rights to aid in the past. Unfortunately that linkage has not been seen. In fact, if the Prime Minister does not follow through his rhetoric with substantive changes to our policies then he will be subject to the charge of hypocrisy.

I would like to start by just reiterating what exactly it is that the Prime Minister has said. I quote from a newspaper article of last week where he says: "If you are asking me if Canada will shy away from tying its aid policies, we will not shy away at all". He goes on to say that human rights form a very important component of foreign policy for Canada. If that is so, then human rights in relation to foreign policy go beyond just aid and must also include trade and immigration issues.

He goes on to say that if we go to a specific policy of linking aid to human rights there is a risk of being accused of a colonial mentality dictating morality. Nonetheless, more and more Canadians are preoccupied by human rights in aid recipient countries. I believe that he is right in saying that, and I would support that as an issue. Human rights is a serious concern to many, many Canadians.

The motion before us today, however, refers in one instance specifically to the fact that the NDP is urging the government to discontinue immediately Canadian participation in the Canada–United States–Mexico free trade negotiations. Certainly the case of Mexico, I would say, is not clear. I think it is a difficult issue for us to address with regard to its human rights record. As well I would say that the human rights issues with regard to Mexico are not the only difficulties we encounter in the trilateral trade talks that are now taking place.

However, Amnesty International has outlined in its recent report which it published on September 18 very gross human rights abuses that have taken place in Mexico. It details those abuses very specifically saying, and I quote: "Torture is reported almost daily in Mexico and despite the seriousness of the problem the Mexican authorities are doing little to put an effective stop to torture and ill treatment", the world–wide human rights organization said.

Yet we have to contrast that with a fact that I have taken from an article in a Mexico City newspaper dated September 19 which states: "Mexico's attorney general announced Wednesday his office would thoroughly investigate each allegation of torture in an extremely critical report released this week by Amnesty International. Attorney General Morales admitted that torture was still a problem in Mexico but said it was not condoned and was no longer widespread. Amnesty International will say that that is not so, but on the other hand Morales' acceptance of the Amnesty report represented a break from the recent past".

There are some indications that Mexico is indeed trying to deal with its human rights abuse issues. To corroborate that there was an article in *The Gazette* of October 20 which speaks to the case of a Norma Corona Sapien in Mexico, a Mexican woman who was murdered in May 1990. She was a human rights activist. She was apparently murdered by government security forces. The article outlines the fact that in Mexico they have now arrested a Gonzales Traveno.

We admit that it took an awfully long time for the Mexican authorities to get around to arresting anybody in this case, but I think it is important to acknowledge that they have pursued the case and have said that they will continue to pursue human rights abuse cases. Certainly this man who has been arrested is a high profile person in the security forces. The linkage there is very serious, one that we cannot underestimate and must watch. I would say that it is extremely important to look at that linkage, but we also must be very aware of improvements when they do take place and press constantly for greater improvements.

We are concerned about not only tying human rights issues to aid but also to trade. In today's newspapers there is one comment that I think bears recognition. A *Toronto Star* editorial today said: "While Mulroney's message deserves support, his methods also deserve close scrutiny. Will Canada throw its weight around when it has nothing to lose, such as with Haiti's enfeebled economy? What about the substantial aid allocated to Asian countries with dynamic economies such as

China and Indonesia, which are known human rights abusers but hold the promise of profitable trade links? Moreover, will human rights abuses serve as a convenient excuse for continuing cutbacks in Canada's foreign aid budget, or will aid cancelled for human rights abuses be rechannelled to more deserving recipients?"

The latter suggestion is certainly what I would support, but I think that editorial expresses a lot of the concerns that we would have over what the Prime Minister is saying and what we will watch with regard to his own statements but more particularly his government's policies over the coming days, weeks and months.

• (1130)

Yesterday in the House of Commons the Prime Minister was questioned about his appearance last week before the Commonwealth Conference, linking human rights issues to aid and the importance of doing so. He was also questioned about giving a $1 billion line of credit the previous week to Iran, the worst human rights abuser in the world. Yesterday he defended his government's policy, saying there is a big difference between linking human rights to foreign aid and tying it to business deals.

In light of his having said that, I would ask why this government pursued so well its policies with regard to South Africa, which indeed did have an impact, and why did we cut back for an interim period, and I question very much having stopped this, our trade and assistance policies to China after the massacre we all witnessed in Tiananmen Square.

Surely this government does recognize that more than aid can be impacted by human rights consideration and that human rights considerations with regard to trade are very important and cannot be neglected.

Before in this debate today we have referred to the Winegard report, a report of the Standing Committee on External Affairs and International Trade that was presented in May 1987 in which it was stated as one of the recommendations that human rights criteria must be developed coherently as part of over-all Canadian foreign policy and that these be applied in a universal, consistent and transparent manner.

My colleague from Burnaby—Kingsway quoted a report put out yesterday by, among others, the Canadian Council of Churches. I found his comments with regard to that report a little bit off topic. In fact the Canadian Council of Churches has had some very relevant things to say about Canadian policy, *viz-à-viz* human rights. They were a witness before the standing committee in 1987 and this is one of their comments at that time. I quote:

> An attempt should be made to channel all existing and new aid projects through a policy filter to determine whether they contribute positively to the observance of human rights, or whether instead they foster human rights violations.

In response to the Winegard report, the government did put out its own foreign aid policy paper called *Sharing our Future*. In that policy paper, the government very specifically makes reference to human rights considerations and states:

> In countries where violations of human rights are systematic, gross and continuous, and where it cannot be ensured that Canadian assistance reaches the people for whom it is intended, government-to-government bilateral aid will be reduced or denied.

I think the report that came out yesterday criticizing the aid policies of CIDA, the Canadian International Development Agency, looked at some very specific issues. Basically it was put out because there are so many people who feel that CIDA has failed to live up to its policy statements and are urging it to get back on track or update their policy statement and improve it. To that end because it was felt by members in this House that in the instance of human rights and its linkages to our aid policies, our government was not pursuing its stated policy, the Standing Committee on Human Rights and the Status of the Disabled last year looked at human rights issues and put out a report entitled *Human Rights Considerations and Coherence in Canada's Foreign Policies.* Once again I can quote the Canadian Council of Churches which came before that committee as a witness. It said at that time, and this relates beyond the aid issue to that of trade:

> The use of economic pressure to advance respect for human rights requires careful assessment of the specific circumstances of particular country situations in the light of human rights standards and of the likelihood that economic sanctions will be effective in either persuading or empowering a particular government to respect the rights of its people.
>
> Our experience is that in situations where torture and disappearances are commonplace, even the most enlightened investor can be drawn into situations where the enterprise undermines the rights of victims or may even strengthen the capacity of the violator regime to maintain its grip on the country. In situations where human

rights violations are extreme, it is essential that government lend neither active nor passive support to private sector economic activity. The government needs to withhold the use of public funds in support of trade with such regimes.

To that end, and how the government does not come up to the mark with regard to that statement, we can look at what we did in relation to Myanmar or Burma, as it was called. My colleague for Winnipeg North Centre raised the issue several times in this House last year, questioning why this government continued to permit Petro-Canada to be involved in a $22 million oil drilling contract in Myanmar. When we questioned the government on this, we quoted the Petro-Canada chairman, Mr. Bill Hopper, who appeared before the House of Commons committee in 1986. He said: "The controlling interest is clearly with the shareholder," in this case being the Government of Canada, "and she can order me to do what the government wishes me to do by Order in Council any time she wishes."

So it was a government decision to suggest that the human rights abuses which are very gross in Myanmar or Burma were not a consideration in providing continual economic assistance from not just the government but private enterprise here in Canada as well. It is a serious problem that must be addressed.

There are many examples where Canada has not lived up to the rhetoric of the Prime Minister's words of last weekend and my colleague has outlined some of these cases. Kenya is a country that will not permit multi-party democracy at this time and the opposition that is there is oppressed and persecuted. In that country our contribution in government-to-government assistance disbursements rose from $27 billion in 1987 to $127 billion in 1989-90. Zaire has received additional funds. Government-to-government assistance has gone on and has been implemented in the last few years with such human rights abusing countries as Guatemala and El Salvador. Rwanda was mentioned. The list goes on and on. As well, we have the Guyanan situation.

I would like to just quote a concern that has been expressed by a Guyanan source. It stated: "Without wishing to overstate the case, the unequivocal stand in favour of democracy which characterized Canadian policy over the years seems to have given way to a more ambiguous public posture which may relate to the overriding commitment by Canada to the success of a structural adjustment program in the construction of which it has played such a critical role. Canada's concerns for democracy and human rights should be manifest in its development program."

We have lots of examples of where Canada has definitely not shown a concern about human rights, neither in relation to its aid policies nor its trade policies and I would also say its immigration policies. The Amnesty International report of 1991 certainly outlines many of the facts of that issue.

• (1140)

Canada's aid record must be improved in terms of human rights considerations. Its trade policies must be reviewed as well and to that end, Mr. Speaker, with your permission I would like to put an amendment to the motion. I would like to take the motion as it is written and delete—well, perhaps I should read the motion—

The Acting Speaker (Mr. Paproski): I am sure the Table has a copy so if the hon. member would like to—

Mrs. Stewart: Should I read the motion as I would amend it?

The Acting Speaker (Mr. Paproski): Yes, please.

Mrs. Stewart: It is as follows:

That this House take note of the Prime Minister's recently stated commitment to the principle of linking government aid to respect for human rights and, in light of documented violations of human rights in countries such as Mexico, China, Zaire, Indonesia, Iran, Kenya, and others, which currently receive Canadian financial support, that this House review immediately all international support programs to ensure that they meet the aid criteria as announced by the Prime Minister and that the government implement procedures which will guarantee coherency, transparency, and accountability in relation to human rights considerations and all Canadian foreign affairs policies, including aid, trade, and immigration.

The Acting Speaker (Mr. Paproski): May I have a copy? While I am looking at it again there will be questions or comments. The hon. member for Halifax West.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I would first like to comment on the presentation by the hon. member that she was prepared to recognize the need for balance in determining what human rights situations might indicate a need to withdraw or modify assistance. What I would like to present to her is the fact that in the previous debate members of the New Democratic Party in an exchange commented on trade relationships and the indication was that if there was any violation of human rights within a country with which Canada or Canadians traded that trade should be imme-

diately stopped until those human rights violations are terminated.

What this would contemplate is a whole lot of rule-making on how Canadian businesses conduct their affairs internationally. It would involve parliamentary intervention, governmental intervention, and so on.

I thought that the member was striking a much greater balance in terms of adjudicating these situations. I wonder if she might comment on that and indicate whether she and the Liberal Party are in favour of a myriad of regulations of Canadian activity internationally in order to link that kind of trading activity to human rights violations in the recipient country.

Mrs. Stewart: Mr. Speaker, I will gladly respond to that question.

I think that the issue of transparency in our government's foreign policy decisions in relation to both aid and trade is the important concern. Transparency and accountability are mentioned in my amendment to this motion because there has to be balance. It is not a black and white situation. I think that we have to look openly and publicly in this country at the human rights records of all of the countries with which we deal and there are ways that through trade, even though a country is a human rights abuser, we can encourage them to refrain from their human rights abuses.

I think, however, that it is through public debate on these issues that we can come to a consensus as to just what the correct balance is in relation to our policies where we link human rights to not just aid but trade and immigration issues.

So many people across Canada are very concerned about human rights abuses, not just at home but particularly internationally where the abuses are so gross and extreme. They have been calling for many years for more transparency with regard to how the government makes its decisions. Right now these decisions are made in cabinet. Not all government members understand how these decisions are arrived at. Certainly many of the decisions that are made such as extending the $1 billion line of credit to Iran through the Export Development Corporation two weeks ago affronts many Canadians. When we look at what the Government of Iran is doing, there is not just human rights abuse. That country is spending the majority of its budget on military expenditures this year. I understand it is to the tune of $17 billion. The Government of Iran is building up its military with that money. We have also said that we are in support of arms control, yet we stand by and watch the worst offender continue human rights abuse. Its spends the majority of its budget building up its military and we extend them a $1 billion line of credit.

It flies in the face of the integrity of the Canadian people. It is our tax dollars that are being used. We want to understand why the government could ever make such a decision. Our automatic response is to deplore that kind of decision when we have no understanding of how the decision was made.

Mr. Howard Crosby (Halifax West): Mr. Speaker, the member made reference to the situation in Iran. I would just like the member to set her mind back a few years to when Canada did terminate diplomatic relations with Iran. The same kind of abuses took place then and the same kind of inappropriate activity in terms of individuals within Iran and in terms of policies within Iran. Canada had no method of dealing or responding in any way to those abuses.

If we terminate all relationships then we have no opportunity at all to exercise any influence over changes in Iran. While I am not commenting on any individual cases, I hope the member appreciates and understands that these are not always finite and can always easily be decided.

Mrs. Stewart: Mr. Speaker, in relation to that, what the member says has to be put into the mix of consideration of how and when to provide assistance. If we contrast the situation of Iran to what our policy was *vis-à-vis* South Africa and China after Tiananmen Square, one cannot understand the government's position with regard to Iran.

We understand as Canadians that the government presumably has based its decision on the fact that Iran is an oil rich country and perhaps Canada can benefit. We do not want human rights related decisions made on the basis of how a recipient country can influence our well-being. We want to make our decisions on the basis

of principle and how we can encourage those countries that are human rights abusers to improve their record.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, the member's amendment is quite a surprise. The Mexican free trade deal will probably affect Canada even more significantly than the Canada—U.S. Free Trade Agreement. It promises to devastate the economy of Canada. It points out that Mexico lacks an environmental policy and a social policy including health care. It is rife with political corruption.

My hon. colleague from Esquimalt—Juan de Fuca quoted a number of extrajudicial executions and abuses of human rights. There are no fair labour practices in Mexico. It is something that only a right wing administration in this country or the United States would tolerate. Yet the Liberal Party has put forward an amendment that would cut out the most glaring example of something Canada should not be doing in a trade policy. I am absolutely astounded that this member of the Liberal Party and the Liberal caucus would join with the Conservatives on this item and support a trade arrangement with Mexico. I think that amendment removes one of the key focuses of this entire debate.

• (1150)

This debate on human rights started when the Prime Minister, whose government is just rife with contradictions about its human rights policy, went to Africa. He was already aware while in Africa that his name was going to be put forward as a nominee for Secretary-General of the United Nations. I and millions of other Canadians hope that does not happen so that he does not have the opportunity to do to the world literally what he has done to Canada. The hypocrisy is the real serious problem. The hypocrisy of the Liberal Party in removing this Mexican trade agreement is absolutely disgusting.

Mrs. Stewart: Mr. Speaker, I do want to respond to what my colleague has just said. What I have omitted specifically from the motion are the words: "urge the government to discontinue immediately Canadian participation in the Canada-United States-Mexico Free Trade negotiations". This is not to say that we in this party do not hold many of the concerns that were expressed by this member about a trade relationship with Mexico: environment, social considerations, human rights considerations. We also feel that we must be at the table participating in the negotiations just in fact to put forward the very issues that he expresses and try to address those issues.

The Acting Speaker (Mr. Paproski): Before the hon. member asks a short question, I have no problem with the amendment.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, as I said earlier when I directed a question to the member for Esquimalt—Juan de Fuca, I welcome this debate today. I think it really should be a debate where we try to develop some comprehensive ideas.

I am a little bit concerned that we may be perceived as trying to be the lily white country of the world. We in this country have a human rights problem that has to be re-examined. I refer specifically to the way we treat our native people. It was just a year and a bit ago when our human rights activities in this country were being written about in every paper in the world.

First of all it is the old expression that people in glass houses should not throw stones. We have to be very careful that we are not coming across as a country or a nation of hypocrites.

My question for my colleague is: Does she not share the view of most of us in this House that in the process of having this debate today about human rights violations around the world we also want to examine and reflect on human rights concerns within our own nation?

Mrs. Stewart: Mr. Speaker, certainly it has been expressed here that no nation is perfect in its human rights policies and Canada certainly fits within that category. We have many people in this country who, for example, do not feel that they receive equal treatment in this country.

We still have multicultural problems in this country, minority groups who feel that they do not experience full human rights in this country.

Our aboriginal people have had to go before the United Nations Human Rights Commission in Geneva which is a disgrace to our nation. They felt that they had to go to that forum in order to have their rights considerations heard.

Personally I have a big concern about the poor in this country, particularly children who at this time do not have the advantage of the basic rights of decent housing, clothing and food.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to participate in this debate. It is a rare opportunity to look at Canada's record on human rights, foreign aid and international investment.

I would like to begin by quoting the Prime Minister: "Nothing in international relations is more important than respect for individual freedom and human rights". That was in his speech to the members of the Commonwealth just last week. A second quote: "Canada will not subsidize repression and the stifling of freedom". That was in his speech also at the same Commonwealth conference in the opening session. As I only have 10 minutes I am going to focus today on one country to give our viewers some idea of how what he said in Harare measures with what is actually happening.

I refer first of all to an Amnesty International report that was presented before the United Nations special committee on decolonization on August 7 of this year. This report is on East Timor and I wish to quote passages. Some of them are rather difficult reading.

Talking about East Timor: "It is a pattern of short-term detention, torture and ill treatment of suspected political opponents described in previous reports that has accelerated in the past year. In Amnesty's view it appears to be part of a systemic strategy to silence real or suspected political opponents".

It goes on to say: "Many of those detained have reportedly been tortured or ill treated in custody. The forms of ill treatment and torture alleged include beatings with iron bars, batons, fists and lengths of cable and bamboo; burning with lighted cigarettes; sexual molestation and rape; slashing with razor blades; food deprivation; immersion for long periods in fetid water; death threats and electrocution".

"In view of the clear evidence that suspected political opponents of Indonesian rule in East Timor have been systematically ill treated and tortured while under interrogation, Amnesty International has concluded that the safety of all those detained for questioning, however briefly, by members of the security forces must be considered at risk".

That report should be put next to an article from the *Free Press* by John Sorenson entitled "Canadian Role in Indonesia Opportunistic".

The history of East Timor is a sorry history. On December 7, 1975 Indonesia invaded that small island and subsequently annexed it. In the last 15 years, hundreds of thousands of Timorees have been slaughtered by Indonesian troops.

At the time of the invasion, Canada was one of the largest foreign investors in Indonesia. As such, Canada at that time under a Liberal government had an opportunity to exert some influence. However it did not. It had an opportunity to halt the genocide in East Timor but Canada did not.

Instead our ambassador at the time advised that Canada recognize the takeover as a *fait accompli*. This type of response fits with in a recent statement by the current minister of external affairs when she said that Canada considers, in response to a question from my colleague from Trinity—Spadina on September 18, that Indonesian sovereignty over East Timor is a fact, recognizing there has never been any history of independence, self-determination or self-government in that territory.

The ignorance displayed in that response is monumental.

• (1200)

The ambassador at the time also pointed out that if Canada recognized the annexation as a *fait accompli*, greater benefits to Canada, Canadian companies, and improved trading relations would result. In fact this proved to be astute judgment. The benefits to Canada which resulted from the decision not to criticize the Indonesian government are not as insubstantial and continue to accrue. Currently over 300 Canadian companies do business in Indonesia, which has been seen as an investor's paradise.

The Indonesian government has established this paradise by ignoring civil liberties, banning all unions, keeping the wages of most workers below one U.S. dollar a day, strictly controlling the media and maintaining an extensive security force.

Two-thirds of the population are undernourished and Indonesia's poor make up the cheapest labour force in Asia. A strict anti-subversive law and the activity of police death squads ensure that few protests are in paradise.

Canada has invested over $1 billion in Indonesia, with most of that money going to huge mining and smelting operations run by Inco, but also in manufacturing, oil, gas and financial services.

Since the invasion of East Timor, Canadian aid dollars have continued to flow through Indonesia. Indonesia is the third largest recipient of Canadian foreign aid dollars. This is the largest non-Commonwealth recipient of such assistance. Several Canadian universities have established lucrative, multi-million dollar contracts with CIDA and the Indonesian government to supply technical expertise. Put that record next to the Amnesty International report and we see the kind of thing we are talking about, the hypocrisy of not just this government but previous governments in dealing with this very important issue.

We have options. The New Democrats have options. As an opposition party we believe it is our responsibility not just to criticize bad legislation but to put forth alternatives, and that is where I want to end today. The idea of linking Canadian aid with the monitoring of human rights is not new. In 1987 the Standing Committee on External Affairs and International Trade put forth an excellent report on overseas development assistance entitled "For Whose Benefit". It recommended linking development and human rights and called for a number of recommendations.

The NDP believes human rights and development can best be linked by increasing the quality of Canadian aid. For example, CIDA should increase funding through non-governmental channels. Credible NGOs and international NGOs are better able to direct Canadian funds to meet human priority needs. The most basic human rights are food and shelter. A 1990 UN development report shows Canada gives only 5 cents out of each aid dollar to meet human priority needs like family planning, clean water, primary education and primary health care.

If the Prime Minister is sincere about linking our development assistance to human rights, he must respond to the regret recently expressed by the OECD at the significant decline in Canadian aid and to the UN suggestion that much of this aid is misdirected.

In conclusion, I want to point out the kind of sorry history Canada has had on human rights and foreign aid and investment. It is not a recent occurrence; it is a long-standing occurrence. Consider what one international banker expressed to me when I was in New York on an external affairs trip examining international debt: "We don't care how our bills are paid as long as they are paid. We don't care about human rights abuses as long as our bills are paid". For Canada and for Canadians generally that is not an acceptable approach. We have to link human rights abuses with international aid. I urge the government not to repeat the sorry history of empty rhetoric but to put real substance behind the Prime Minister's statement and to turn around Canada's record on international investment and aid.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my comment and question will be brief so that others can participate in this period.

I would like to compliment the member on the thrust of her speech. I naturally did not agree with all of her criticism of the previous government, not because I was a part of it but because we did have a much more aggressive campaign when it came to linking our aid to human rights. I believe Mr. Trudeau was a lot more aggressive.

I agree with her idea about direct funding to non-governmental organizations, but I have a problem with her motion. When 70 per cent of the manufacturing jobs in this country are linked to countries where there is some kind of human rights violation, is she suggesting that we just cease that relationship completely with those countries?

I ask that question because I used to work with an organization entitled Magna International which makes auto parts. Currently it is doing work in Mexico on behalf of Volkswagen. It has a formula there where the people work on a percentage of the profit. They get their cash but they also get an equity participation formula.

I recently talked to a couple of priests who work in a mission near the plant. They think it is a rather constructive and positive approach to trying to improve the lot of

the labourer in Mexico who now in most instances only gets a flat dollar a day for his or her work.

If that experiment, if that relationship were not taking place in Mexico then the social standard of the Mexicans would continue to stay in a non-growth, non-improved position.

I would like to ask the member specifically if she is advocating an absolute cessation of our relationship with these countries where human rights violations exist.

Ms. Hunter: Mr. Speaker, I think Canadians have to decide whether or not they wish to put human rights before profits. That is the question. I think most Canadians would agree that that is a crucial decision and a decision that I do not think most Canadians would have any difficulty in making.

I think that the government, the Liberal and Progressive Conservative approach is to believe and have confidence in the trickle down theory. As the Amnesty International report has demonstrated, the human rights abuses in East Timor have worsened in the past year. The trickle down theory did not work then and it is not working now.

We have a clear position. Human rights do come before profits.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am very glad to speak on this motion. The particular point of the motion, including the particular point that would be removed by the Liberal amendment, is to ask the government to discontinue immediately Canadian participation in the Canada, United States and Mexico free trade negotiations.

Because of the principle of tying aid to human rights which the Prime Minister has announced and which has been discussed in this House and was the subject of a unanimous report in this House, it is proposed that we discontinue negotiating this trade treaty with the United States and Mexico. It goes on to say "review immediately all international support programs" and so on.

The main point of the motion is not to review support programs. That goes on all the time. The Liberal amendment which cuts out the Mexico part says "review". Of course as far as the review part is concerned it is like motherhood. The Liberals always review things and this House reviews things. So there is no problem about saying "review". The question is whether to discontinue locking ourselves into a trade deal with Mexico which would limit Canada's sovereignty in certain important respects to the benefit of the corporations and government in Mexico.

• (1210)

As for the NDP's position on this, I would point out that earlier this year the NDP government in Ontario did withdraw the entry placed by the previous Liberal government in ARMX, the arms bazaar that was to be held earlier this year but was cancelled. The NDP government decided not to participate in that violation of Canada's stated policy of reducing the arms trade.

However, I want to acknowledge that there is no monopoly of human rights violations by any government, party, country, religion or social or political philosophy. Whichever one I belong to, I am involved in some of these human rights violations. I would rather first of all go back to what I think is the root of the problem.

There have been several centuries of conquests, massacres and thefts by the countries of the North Atlantic. Western Europe and North America, primarily western Europe, thus are the inheritors. Because of those centuries and the trade relations which after World War II nominally replaced relations of direct political rule over the colonies of Latin America, Africa, Asia and so on, the North Atlantic community is now economically dependent through its trade empires on the oppressive governments in these countries which we sometimes call the south or contemptuously call the Third World, mostly former European or U.S. colonies with Canada, of course, as a sort of minor partner not directly oppressing but engaging in trade relations based on the oppression.

For example, I regret Canada's participation in reneging on the regulation offered to Chinese students who chose to stay in Canada after the Tiananmen massacre. They were promised in a regulation from this government that they would be facilitated in bringing their spouses to join them in Canada. About 200 who made that application while that regulation was in effect have been denied the very thing that the Canadian government promised them. They are told they may have to wait three years now, three more years after these two years, to bring their spouses here. This, I presume, is because of Canada's interest in selling more telecommunications and other goods to China regardless of the fact

that our protests about human rights have not been answered.

My own protests in person when I had the privilege of participating in a delegation a year ago in China were not answered. My letters to the Chinese representatives here have not been answered in any substance. There has been a piece of paper but it did not respond to my questions, and I believe the same is true for all others who tried. Yet, the Canadian government is in such a rush to sell these telecommunications, whether it is to China or Saudi Arabia or to Mexico, without insisting on some performance, perhaps not absolute perfection of course, in the matter of human rights, some openness of trials, some evidence of prosecution of police and other government agents who are found to have participated in this kind of oppression.

If the Ontario government comments on that, I want to know what the Ontario government is saying. I think the question raised by the hon. member for Broadview—Greenwood is a reasonable one which should be answered. I think we should not unqualifiably endorse money making trade relations. Seventy per cent of our manufacturing jobs depend on selling to oppressive governments in ways that do not help the people but only increase the power of the oppressive government. I think we can find other things for our people to make because God knows, and I speak advisedly, there is plenty of need among Canadians as consumers if they could get the wages to buy the products that Canadian factories are making. We do not have to sell everything abroad in competition with the United States.

I was embarrassed about six or seven years ago when, following Amnesty International and its information from its London research section, I phoned the High Commissioner of Singapore to complain that a certain member of Parliament of the opposition party had been held for years without charge in prison. I was told it was done according to law. I rashly said: "I think that is a bad law". He said: "That is the law that the British left us".

Now I find when dealing with countries, such as those in Africa that have been mentioned that there is a heritage of oppressive British laws. The law of detention without charge is used in Britain even now against its first and oldest colony, Ireland.

I object strongly to Canada rushing into a treaty with Mexico. This is not just a trade arrangement where we are going to buy this or sell this. This is to be a permanent treaty with a country which has not recovered from the effects of the Spanish Conquest, the intervention of the United States and other western European or North American countries in recent history. It is struggling to be independent but it is still a dictatorship in many serious ways.

In recent years they have been forcing hundreds of thousands of peasants off their land to replace their subsistence agriculture with cash crops. They are exported to the profit of American multinationals and suit the taste of affluent Americans and Canadians. The peasants are crowding into the slums, lowering the wages, notwithstanding the new factories that are built there. Between 5 million and 10 million children under the age of 15 are obliged to work in those factories by poverty to prevent the starvation of themselves and their families.

Trade unionists and over 100 members of the main opposition party have been murdered with impunity. This is the country with which Canada wants to link not just for trade. Canadian workers will be obliged to compete with workers who are not allowed to have free trade unions. Mexican investors will have national rights in Canada to treat Canadians as they treat their fellow Mexican workers. Refugee claimants, including legitimate claimants in Canada, may be contrary to UN law reform through Mexico to the country from which they fled oppression. There is a deal under way in which Canada will seek to use Mexico as the dumping ground for refugee claimants from Latin America under our so-called safe Third World clause.

Therefore, I strongly urge this House to support the motion as originally presented to discontinue our treaty negotiations with Mexico. We must insist that Mexico first of all carry out the promises which are being violated right to this summer, violated by assassinations with impunity. We first of all must demand that they clean up that act before we place our Canadian workers into direct competition with the intimidated workers of Mexico.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have been listening very carefully to the comments of the socialist party. I have finally become frustrated because I cannot believe the pious hypocrisy that I am hearing. There is no doubt that there is not a person in this House that would stand up and argue in favour of human rights

abuses. That is ridiculous. That is like arguing in favour of war. We are all in favour of peace.

I am going to enlighten the socialist party and let them know that we cannot send Columbus back. Five hundred years ago he came here. That cannot be changed. We cannot judge the actions of 15th century people with 20th century thinking. That is unfair.

• (1220)

I want to know what the policy of the NDP is. I do not want sanctimonious claptrap. I ask three very specific questions: Will the New Democratic Party, if it is the government of this country, sever diplomatic ties with countries that perpetrate human rights abuses? Yes or no. Will it sever all trade links with countries that perpetrate human rights abuses? Yes or no. Will that include refusing to sell wheat harvested in Saskatchewan to China, which we know is a country with human rights abuses? If so, what does the hon. member suggest that the farmers of Saskatchewan grow if they cannot sell wheat to those countries? What are they going to do? Are we going to bar Canadians from travelling to countries with human rights abuses? Because, if so, what are you going to do with your former leader who I am informed enjoyed vacationing in Cuba year after year? Let's not have some hypocrisy, let's have some answers.

Mr. Heap: The hon. member for Scarborough West has painted an extreme picture of blacks and whites, which he and his party of course never deal with. They only deal with vaguely different situations of grey.

Mr. Wappel: Just answer: What are you going to do when you are in government?

Mr. Heap: What I said in my speech, if the hon. member had bothered to listen, was that I do not claim that any party has the monopoly on human rights abuse. All governments, and that includes governments affiliated with my own party, have been participant in them since World War II, the period with which I am a little more familiar than the earlier periods.

In answer to his questions particularly, I would say that we should follow the example of Canada's Conservative and Liberal governments in cases such as South Africa where there is apartheid, a very extreme, explicit and persistent violation of human rights. We should use degrees. We agreed with the committee's report four years ago that there are degrees of violations and degrees should be used in opposition to these violations. I myself was willing to travel to China with the delegation which included a member of the hon. member's caucus and two from the government caucus, in part to find out whether we could get answers on human rights violations. I have written a memo which I circulated and I have said that we did not get answers to those questions.

What I am saying is that I do not disagree with reviewing, as the hon. member's colleague very reasonably asked, our trade relationships and our travel relationships. I have not questioned those. I agree with their party that they should be reviewed. What I am saying is that we are being asked to give up some of Canada's sovereignty in a permanent relationship to a country that has been called by one of the presidential candidates in Peru "the perfect dictatorship". He was not a socialist of any stripe whatsoever; he was a good conservative. He called it the perfect dictatorship.

I am saying that in an extreme case like that we should not necessarily discontinue any and all trade, but we should question some of our trade deals like communications. They only help the government against the people. We should back off from locking ourselves into a permanent treaty with them.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin by addressing what I consider to be the pith and substance of the motion that has been presented by the New Democratic Party. By its own declaration it is underlining what is called the clear link between financial aid and human rights. The member for Burnaby—Kingsway made it clear that it was trying to establish this linkage in the course of his presentation.

But what members of the New Democratic Party and perhaps other members neglect is that there is also an equally clear and strong linkage between foreign aid and the relief of poverty and economic oppression. We also have to consider, in terms of economic aid internationally, not only the status of the nation but the status of the people within that nation.

I will not use that word "hypocrisy", but it might be pointed out that there is a contradiction in the position of New Democratic Party members who constantly focus attention on the plight of individuals, particularly those in a state of poverty, that they should throw this out and simply concentrate on the form of government and the administration of that government in those countries and neglect altogether for the purpose of focusing attention

on those kinds of generic human rights violations the plight of the people in the country.

I have always said that the whole basis of social programs is the economic ability to carry them out. The real threat to social programs in this country and any other country is a bankrupt national Treasury. If we reviewed all the nations of the world, it would be found that human rights violations on an individual basis are most evident in countries where there is a bankrupt national Treasury, where the assets of the nation are not being particularly applied.

I want to take up the theme introduced by the member for Burnaby—Kingsway, in which he referred to the gap between the reality and the rhetoric in relation to international aid and Canada's role in providing assistance to other countries and people in other countries. I believe that the exponents of rhetoric are the members of the New Democratic Party. The purveyors of the reality include the Prime Minister and his government.

Let me take that as the theme of my remarks. If we are going to look for human rights violations across the world, we do not have to look very far. Indeed, as some members have rightly pointed out, we can start with our own country and our treatment of aboriginal people, our own history in the human rights field. We still have a lot of work to do.

Let me hasten to add, if any members of the New Democratic Party are listening, as was said by a civil rights leader in the United States: "I can talk the talk because I walked the walk".

I was involved in Nova Scotia as a legislative draftsman in the formulation of human rights legislation. I was involved as the person who established the legal aid program in Nova Scotia in the direct application of civil rights to individuals in those situations.

When we are talking about the kind of international concerns that exist today, I do not think we really need to look at Canada because all Canadians are the beneficiaries of a very strong human rights tradition, enforced in the Canadian Charter of Rights and Freedoms. Therefore, we are not talking about the kinds of instances which we would regard in Canada as violations of civil and human rights. We are talking about much more serious situations.

Just the other day while reading the national press, I came across reports of two violations which would shock humanity. One came from the Republic of India, the largest unit within the Commonwealth of nations, where the practice of selling women as child brides is widespread.

The case that was pointed up that caused national and international tension was that of a young 10-year old female person who was apprehended on an international flight to Saudi Arabia. That resulted from virtual bride shopping within the rural villages of India and produced the situation in which a 10-year old girl was sold by her father to a resident of Saudi Arabia. That resident was taking the child back when the apprehension took place and has resulted in international concern being focused on this situation. The point is that it was readily admitted by Indian officials that the practice is widespread. They do not know if it can be stopped because it has roots in so-called religious traditions and other ethnic traditions and is not regarded by many people as being particularly wrong.

If we look at Brazil, there are seven million children on the streets of Brazil with no assistance whatsoever and no programs to deal with the problem from the Government of Brazil. Why? It is because the Government of Brazil does not have the economic ability to solve those kinds of problems.

Therefore anybody who would divorce economics of a country from a human rights situation is automatically going to deal in rhetoric and not in reality. I accuse the members of the New Democratic Party of utilizing that mask to create wrong impressions in this House of Commons and with the people of Canada. The rhetoric starts when you try to separate the economy from the status of the people, in terms of human rights.

• (1230)

We have had a long tradition in Canada of trying to keep open doors with other countries and not close off the opportunity to help those nations improve their situations for the benefit of the people.

The Peoples Republic of China is mentioned in the resolution itself and there is a suggestion that we should cut off our relationship. Canada took a proud place in the international community because it was Canada that encouraged and fostered continued relations with the Peoples Republic of China. It was Lester B. Pearson and Prime Minister Trudeau who allowed China to re-enter the international field in the hopes that that would result in improvement for the people of China and for improvement not only in their human rights but in their day-to-day lives.

Whether that has been successful, I will leave it to others to judge. Nobody, as I recall, has heaped criticism on Canada for keeping that door open, for not closing it off because of public square executions that were taking place in China long before Tiananmen Square.

If we tamper with the kind of principle that has developed over the years then we are entering the field of rhetoric and backing away from the realities of the international situation.

Take a little example like Czechoslovakia. I happened to be in Czechoslovakia with a parliamentary delegation at the time the repression was still in force. I was proud to be there because Canada has, over the years, accepted refugees from Czechoslovakia. We have criticized the administration. The member from Toronto was there with me so he remembers all of this.

We gave aid and comfort to the dissidents in Czechoslovakia. We did not say: "Stay away from Czechoslovakia. They are repressing freedoms there". We went to Czechoslovakia. Now we have President Havel, one of those dissidents just a few short years ago, governing the country. While the problems in Czechoslovakia were never like those in Brazil, India or many of the other countries that we mentioned in this debate, they were nonetheless problems of deprivation of human rights. We did not cut off the relationship. We hung in there with the then dissidents of Czechoslovakia. They are governing the country today.

The NDP has no monopoly on human rights concerns. It is the concern of every Canadian. It is a matter of how we interpret or implement those concerns. But it will not work to close off and suggest as they do in this resolution, as the member for Trinity—Spadina has said: "Cut it off right away. Are there human rights violations? Cut off aid and cut off trade". It will not work and I think most members of this House of Commons realize it will not work.

I hope most Canadians also realize that that approach will not work. We say: "What is the NDP up to in this motion? Is it really trying to get at human rights violations? Is it really trying to help the situation in oppressed nations across the world?" It is simply bringing forward a political ploy. I will make the case that I think that it is. This is simply a political ploy.

What the NDP is doing is trying to attack the initiative made by the Prime Minister of Canada before the Commonwealth of Nations. It is trying to say: "This Prime Minister of Canada is not really interested in human rights".

Let me tell you, Mr. Speaker, if there is one thing the Prime Minister of Canada is interested in that is individual human rights. He has a long record of that. He has said on many occasions: "We are all God's children. We are all entitled to the same treatment under the law in our nations wherever those nations would be".

He has always had that as a guiding light. There is no question where he stands on that. But, if the people of Canada knew that, they might change their attitude a little bit. The NDP wants to get in there and make sure that, notwithstanding the Prime Minister of Canada stood up in the Commonwealth and advocated a new view of human rights within the Commonwealth, the people of Canada will say: "He did not really mean that".

I have to ask you, Mr. Speaker: Why did he bother to go down that road if he really did not mean it? He did not get any real support within the Commonwealth. He knew that. He knew that there were violators of human rights right before him. He knew they were sponsors of one-party policies in the political sense. He knew what was happening, and yet he said that. He said it because he thought it had to be said and, as in the case of South Africa, if he did not say it probably nobody else would.

I want to stress that if that is the purpose of the motion it will not work. Nobody is going to believe that the Prime Minister of Canada is not and will not continue to

be an advocate of human rights for Canadians and for peoples of all countries.

A second point that I think they might be getting at is that the old bogey free trade has ruined Canada.

This morning, on our national public broadcasting network, a professor from the University of Regina whose name I wrote down, Gerald Sperling, said that we all know that as a result of the free trade agreement one million Canadians are unemployed. I guess CBC does not censor anybody that goes on its stations from the University of Regina because that is an outlandish statement.

Let me put it this way: if one million Canadians would be employed, if we had not had the free trade agreement, then we would have an unemployment rate of maybe 2.5 per cent to 3 per cent, the lowest in the industrial world by many per cent.

I do not object to criticism of the free trade agreement. I do not object to re-examinations and reconsiderations. But when a university professor makes the claim that one million Canadians are unemployed because of the free trade agreement one realizes he is not participating in a factual analysis. He is just expounding his own economic ideology, and that is all the New Democratic Party is doing in this resolution. I am glad to see the Liberals are not fooled by it. They are only advocating their own ideology: Close Canada, put up the barriers.

Has anybody spoken of individuals, of the workers in Mexico? Has anybody in the New Democratic Party asked if the workers of Mexico want a free trade agreement with the United States and with Canada? I know what they will say. They will say that our Canadian Labour Congress went down there and met with their labour congress and came back with the idea that they do not want it. They want us to fight it.

But what about the people who are going to be employed who are not now employed? What about the people who hopefully will eventually get some of the benefits over the years and over the decades? Let us think about them. If the workers of Mexico are not going to benefit from any kind of free trade agreement, either with the United States of America or with Canada, then we should look at it and say that we should not go through with it because it will promote economic oppression in Mexico. It will promote deprivation of human rights. If we think that, that is the action we should take and I would agree with it.

But should we simply turn down any opportunity for better international trade because it is not consistent with one's own ideology or with one's own concept of how Canada should function? Should this be masked as a protection of human rights of individuals? This is the ultimate concern. The NDP is not here advancing its ideology. It is here protecting workers in Mexico, do you believe that, Mr. Speaker? Does anybody believe that the New Democratic Party is here in this House of Commons advocating the rights of Mexican workers as opposed to its own ideology? I do not believe it. I hope the people of Canada do not believe it either.

The member for Esquimalt—Juan de Fuca mentioned that awful word "hypocrisy" and I cannot mention it as he cannot mention it, but I think if you look at the dictionary definition you will find out what it is all about.

It is easy to be negative, and I understand and appreciate that. I can get up and tear the New Democratic Party apart. I have been doing it for years. I hope to continue to do it for years. The biggest threat to Canada is the New Democratic Party because it does not tell the truth. It deals entirely in rhetoric and ideology. It does not face facts. It does not face the realities. It makes it difficult for those who do. That is the problem. The NDP makes it impossible to deal with economic problems in Cape Breton and Nova Scotia and economic problems in northern Ontario, because it always says there is a simple solution, just as it says there is a simple solution to international trade.

"Stop it, stop it, stop it, if there is violation of human rights. Never mind, let the chips fall where they may". It does not work that way, and I cannot believe that given the intelligence and background of all the people in the New Democratic Party there is not somebody in that group who does not realize it. I hope and pray they will come forward.

This leads me to a point I wanted to mention. Those who are really interested in stopping violations of human rights in other nations through the instrument of withdrawal of external aid and trade to that nation should be looking for a competent monitoring body. What one would be looking for is a competent monitoring body, an officer within Canada who would say: Look, there is a

situation developing in any nation with which we are trading or are providing external aid that involves human rights violations and we should respond to that. Does anybody mention that?

• (1240)

The Prime Minister of Canada established by statute, by act of this body in 1988, the International Centre for Human Rights and Democratic Development. That centre is charged with the responsibility world-wide of monitoring human rights violations and trying to encourage better human rights practices and so on. We know who heads the centre. It is the Hon. Ed Broadbent who sat right there with those same people.

If members of the New Democratic Party were really concerned with what was happening in a particular place, Iran or whatever, and that we should exercise some influence over that situation as the Government of Canada by threatening to withdraw external aid or minimize trade relations, I would have thought they would call up Ed Broadbent and say: "Ed, get over there and find out what is going on. Bring us back a report. We will present the report to Parliament. It will be documented and every Conservative member and Liberal member will have to respond to the facts as presented".

We cannot respond to this rhetoric. We cannot respond to claims that the ideology of one place is different from ours, and if we want them to adopt our ideology then we have to put this pressure on them. One cannot respond to that kind of situation. One can only respond to facts, and one can only respond to facts that are so blatant and so obvious and so clear that they demand a response. We cannot respond to the practice in India of trading in child brides. We cannot withdraw our relationships with the Republic of India for those kinds of reasons. I think every member knows that.

Mr. Speaker, you say I have two minutes so I want to end on a positive note. I mentioned the monitoring. There are so many other things we could be directing our mind to. As I mentioned, bankrupt national treasuries are often behind human rights violations. Sometimes they do not have an adequate tax system. They do not tax the rich to help the poor in so many apparently deprived nations. We can help with that.

What we want to talk about is a positive approach. We want to talk about a long-term program. We cannot cut things off immediately if something goes wrong.

A second point beyond the long term is that we have to be concerned with a nation on a broad base. I have already indicated that. We just cannot focus on one item. We have to look at the welfare of the people, as well as at the status of the government. We should look for co-operation of the government and try to obtain it.

A positive approach and a positive foreign program have to have their roots in reality. I hope when I sit down that I will leave the NDP with that message. Let us talk about reality. We are politicians. We recognize rhetoric. Maybe its members do not recognize rhetoric out in the streets of Canada, but they certainly recognize it in this Chamber and should not use it.

As I said, they can take a message from the Prime Minister because the Prime Minister has stated the principle of good governance in relation to international and external aid, good governance within the recipient country. If they have good governance then everything will flow from that, including human rights.

What we have to do and what we have been trying to do is to assist those governments so that there will be good governance in the country, so that there will be a taxation system, an educational system, a health system and a social security system. When we have all those systems in place then, in my belief we have human rights established and we can deal with human rights like we now deal with them in Canada. I do not think too many nations around the world, 160 nations, have reached that plateau and it is our responsibility to help them.

I would like to say one more remark about trade because NDP members would have us think that we can reach out and stop an international nickel company from trading with a foreign nation that violates human rights without affecting workers in northern Ontario. What do they say about that? Would the member for Trinity—Spadina cut off trade and unemploy workers in northern Ontario? Yes, he would. He said: "Why?" It is because the member from British Columbia said we have to stand on principle. My principle is employment for Canadians,

not cutting them off because of some suspected violation.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I would first like to comment on the remarks of the hon. member. I think they were a bit overzealous in terms of criticism of the NDP, which they always are, and I enjoy his speeches.

I would first say that I congratulate the Prime Minister on the remarks he made as every other member of the caucus does. The Prime Minister stood in Africa and said he was not prepared to provide aid or trade to nations with track records in human rights which do not warrant that. We applauded him. There is no doubt about it. But what we caution and what this motion cautions is that it is only empty rhetoric if there is no action. It is called into serious question along with Canada's credibility if there is not action. This motion proposes action.

It is ironic that the debate has centred on the Mexican trade agreement. We thought that our colleagues in the Liberal Party would support that. It is there and it is prominent. First it is an erosion of Canadian sovereignty, and it clearly is. It is going to compromise the Canadian economy.

An enormous number of Canadians are opposed to it. When we look at the motion to delete, that aspect of the motion, the trade agreement with Mexico is going to harm the economy of Canada. It is going to support a nation with no acceptable policy on the environment, no acceptable social policy, political corruption and extrajudicial execution of hundreds of trade unionists and members of the political opposition. That is what the Liberal motion supports. There is also a lack of any fair labour standards in that country. We are saying as Canadians that is the first and most critical thing facing this nation on the human rights issue and we can do something about it. We can say that we will not go to the table with that nation until its judicial system and its government's commitment to human rights matches this country's or shows significant progress.

The member for Nova Scotia stood up and said that we could not or should not do anything. The United States did something in response to its citizens' concerns. Certainly there are enough citizens' concerns in this country about the performance of the Liberal Party and the Conservative Party that we could start a parallel process here. We could start a committee here in the House to look at the human rights record of Mexico and make suggestions to them about killing trade unionists and opposition political members. We could do that. We could set up a parallel process with a committee to look at the environment standards, the social policy and the lack of fair labour practices in Mexico.

We are asking for some fairness. I applaud the Prime Minister for his statements but for all our sakes do not make it empty rhetoric. Let us take some action. Let us take the focal point. I plead with the Liberals to withdraw this wrong-headed amendment where they say they are prepared to sit with the government at the Mexican trade talks. This is absolutely wrong. Let us start the parallel process in this House of Commons with our committees the way the Americans did.

Again, my last and parting remark: I applaud the Prime Minister and those statements. Those were worthy statements of which Canadians can be proud but they must be followed by action. Give us some action that we can be proud of.

Mr. Crosby: Mr. Speaker, what is permeating this debate are those two fruitful words advanced by the member from Burnaby at the outset of the debate, that is rhetoric and reality.

I think that anyone who listens to this debate will recognize what is rhetoric and what is reality, because the old bogey of the free trade agreement is being brought before the House of Commons again. It is the ideological position of the New Democratic Party that is divorced from the realities of the world situation, divorced from the realities of trade and divorced from the reality that trade creates employment in Canada and that people in Canada are dependent for employment on selling our products abroad. The members of the New Democratic Party do not want to face up to those hard facts and keep them in mind when they are dealing with their ideological positions. I applaud the Liberal Party. There is some hope that sensible people in this country will get together and try to find sensible solutions to the real problems of our national economy and unemployment. If that involves exploring a trade agreement with Mexico and if that involves exploring, and I underline the words any trading arrangements with any country, then that is what we should do.

• (1250)

If down the line we find out that there are militating factors in relation to human rights, unstable government, and unfair demands then we can make our decision based on those facts, but we do not get the facts unless we examine the situation.

Let me ask the NDP in return: What are the other possibilities to a North American trading bloc? I am from Nova Scotia. They have virtually shut down a segment of our important fishing industry, the sealing, because people in Europe did not think we should be doing such a thing. They thought we should be getting our fur coats in some way other than the destruction of seals. That is how much Europeans care about employment in Newfoundland and Nova Scotia. They will just shut it down if it suits their fancy.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to ask the member for Halifax West who has been in the Conservative caucus for several years and knows the Prime Minister well what he expects the Prime Minister's follow-up will be to his declarations at the Commonwealth. In terms of specific concrete actions, what can we expect from the Prime Minister on this?

Specifically could the member share with this House what positions the government has been taking in the opening rounds of the Canada–Mexico–U.S. trade talks with respect to the human rights positions of the Mexican government and the linkage between those two issues at those talks? Could he share, from his perspective, what his government has been doing to advance these causes in this forum?

Mr. Crosby: Mr. Speaker, I think the hon. member probably knows well that I am not privy to the negotiations between Canada and Mexico with respect to trade or quite frankly with any other matter. I can tell him that the Prime Minister has underlined time and time again the situation in Mexico.

I think the difference lies in the fact that the Prime Minister sees some hope for improvement through trading relations and the creation of wealth in Mexico. He believes that there is the possibility of substantial improvement in the welfare of the Mexican workers both with respect to day-to-day living and human rights.

I also offer to the member the fact that over a period of time the Prime Minister has underlined the linkage between aid, trade and human rights. I do not need any better evidence than the establishment of the centre that is now headed by Mr. Broadbent. That is tangible evidence that the Government of Canada under the Prime Minister has funded an organization with a duty and responsibility to monitor human rights legislation, report on it publicly and make recommendations with respect to it.

In relation to the Commonwealth, I think it is well expressed in an article by Ross Howard in Toronto's *The Globe and Mail* where the comment was made that with the 50-nation bloc all that was achieved was one small Canadian made candle in the dark in relation to human rights. I think the Prime Minister has made it clear that it was not a great impact on the Commonwealth leaders at the conference, but it did make a start. If we thought it was one small candle in the darkness of human rights, the Secretary-General of the Commonwealth said that the statement on human rights was a beacon of guidance on the issue of human rights.

Whatever we think, whatever the NDP thinks of the efforts made by the Prime Minister, they were cast as the beacon of guidance for the future by others.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too am delighted to stand here in the House today to debate the important motion that is before us. While I support the purpose of this motion to bring before the House the issue of linking government aid to respect for human rights, I cannot support its basic premise which is to discontinue immediately Canadian participation in the Canada–United States–Mexico free trade negotiations. It is for these reasons that I can quite readily support the amendment as put forward by my colleague, the member for Northumberland.

I want to address the issue of linkage shortly. First, I would like to say why Canada should be involved in the negotiations surrounding this North American Free Trade Agreement.

Canadian interests, by putting them forth while we can still make a difference, are of great importance. On a practical note, this means jobs. We must not forget that by being at the table we can also influence other factors such as extending the agreement to include other partners from the hemisphere to create a western hemispheric agreement.

The more partners involved, the better is the counterbalance to the power of the United States, the greater the market potential for Canadian products, and the faster we can help developing countries in this hemisphere create the wealth they need to provide decent lives for their people.

By participating at the table we can lobby to ensure that comprehensive adjustment programs are devised to protect Canadian workers from the possible adverse affects of this deal. We can also ensure the protection of Canada's existing social, cultural and regional development programs.

We can, through involvement in the negotiations, encompass other issues such as the environment. My personal favourite of course is human rights. I would much rather be sitting at the table now than crying over spilt milk later.

With respect to the phrasing of this motion today, we are not talking about aid in this particular case with Mexico. Nor are we talking about investing *per se*. We are talking about a trade deal and we are talking about participating at a table where negotiations are under way on an agreement that will have a profound effect on Canada, Mexico, the U.S. and indeed the world.

I think this motion, although it does have good elements to be sure, is mixing apples and oranges by insisting upon the withdrawal of Canada from these negotiations.

We can ensure through our participation that environmental standards in each of the countries involved continue to be or in some cases are made to be stringent. There is concern that the inevitable harmonization of environmental standards could bring it all down to the lowest common denominator.

I for one do not want Canada's environmental standards to be brought down to the level which exists in Mexico. Remember, this proposed agreement is still in the stage of negotiations. We can better deal with all of these issues including Mexico's human rights record while at the table. If we are not at the table we cannot have any influence.

One thing that is lacking in making this deal is the open consultation with the Canadian public. We in the Liberal opposition have been calling for such consultation so that the Canadian public could have a say in such a profound deal. This process could and should involve the debate on human rights.

Presently our clout with Mexico is limited in terms of affecting its human rights record through a linkage with aid. Canadian aid to Mexico is limited. We sent close to $2 million through the Industrial Co-operation Program in 1990-91, as well as $350,000 for local initiatives. That is a total of $2.5 million.

Earlier this summer I along with my caucus colleagues sponsored a symposium on international human rights which involved Canada's non-governmental organizations, intellectuals, church and human rights groups.

We had discussions specifically about the linkage of human rights to Canadian aid and trade. These front line people agree in principle with the Prime Minister's recently stated commitment to the tentative linkage in light of documented violations of human rights in various countries. However they believe that the government is not practising what it preaches. The Prime Minister told this House yesterday that his cabinet has been discussing linkage policy since 1987.

We have the government document from the same year called "Sharing Our Future". Yet as the Canadian human rights community points out, human rights records in recipient countries are not reflected in project approval.

Participants at our conference agreed overwhelmingly that there should be uniform criteria for rendering decisions with respect to how and if Canada should provide and conduct trade with certain countries, specifically those with questionable human rights records. That is why I have no trouble at all supporting the amendment of the member for Northumberland. I would like to reread that amendment:

> That the government implement procedures which will guarantee coherency, transparency and accountability in relation to human rights considerations in all Canadian foreign affairs policies, including aid, trade and immigration.

It was felt that foreign aid was a tool which could be used in a relevant manner in bettering human rights records in certain countries. Participants at our symposium believe that there is no question that violations of human rights are more severe in developing nations. Governments of these nations are so busy trying to eke

out a method of survival that they have little time to worry about basic human rights.

Instead, they must deal with the social unrest caused by abject poverty, the social upheaval caused by policies of the governments of developing countries which as they struggle to improve their trade balance and a desperate effort to improve their balance of payments to international lending institutions multilaterally and donor countries bilaterally have a direct relationship to the massive move toward urbanization which leads to a further burden of populations in urban areas already ill-equipped to handle rampant over-population.

While this is not meant to excuse Mexico or any other government from the mistreatment of any individual or group, it does provide a relative description of the situation in Mexico.

Perhaps, as the symposium participants pointed out, an improved trade balance will have a direct and dramatic effect on Mexico's human rights record.

The Acting Speaker (Mr. Paproski): Order, please. I hate to interrupt the hon. member. She will have 12 minutes remaining after Question Period today, plus 10 minutes questions and comments.

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

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE MONARCHY

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, Canadians are delighted that their Royal Highnesses the Prince and Princess of Wales will visit Canada.

The monarchy has made a contribution to Canada's distinctness in North America and has played a key role in stabilizing Canadian society. It should not be neglected in our current constitutional debate.

The Crown has protected Canadians from the expansionary and assimilationist United States and has protected minorities in Canada, a prime example being the Quebec Act of 1774.

The Crown permitted and encouraged the development of representative institutions to serve Canadians whose ancestors have come from all corners of the world and has acted as a court of last appeal for all.

I do not suggest that we return to our past, but I do urge Canadians to appreciate and perhaps be guided by our heritage. For over 200 years, the monarchy has given Canadians common purpose.

Today, as we search to redefine that purpose, we must not forget the legacy and role of the constitutional monarchy.

* * *

DAIRY INDUSTRY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, in my province of Prince Edward Island there is close to 3,000 farming establishments. Almost 25 per cent of those farmers are dairy farmers.

I join with them today in calling on this government to maintain its commitment to supply management in this country. It must not waiver on any of the fundamental aspects of this system. Import restrictions, price adequacy and production discipline must be maintained if our dairy, poultry and egg farmers are to stay in business.

The livelihoods of many farmers depend on this. The welfare of their families is at stake. I dare say, there are many rural communities that would be hard pressed to survive if this government buckles at these GATT negotiations.

We must not trade away one of the most sophisticated marketing systems in the world. We must not diminish a system that has ensured ample quantities of high quality food to Canadian consumers at reasonable prices.

I call on this government to stand up for the farmers of this country.

S. O. 31

[*Translation*]

SMALL BUSINESS WEEK

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, this year's theme for Small Business Week, from October 20 to October 26, is about entrepreneurships as a national resource.

The purpose of Small Business Week is to emphasize the contribution made by small businesses to the economy and give entrepreneurs an opportunity to meet, exchange information and learn how to improve their business management skills.

Owners of small businesses have injected about $64 billion into the Canadian economy in the form of wages and have created two million jobs during the past ten years.

Mr. Speaker, I wish to draw your attention to the substantial contribution of small business to the economy in the riding of Drummond, where leadership and entrepreneurship are second nature.

Thanks to the involvement, know how, creativity and co-operation of its business community, Drummondville was named Quebec's industrial city of the year by the association of Quebec manufacturers. The purpose of government's Economic Renewal Program is to create a favourable climate for small business, and thanks to the Free Trade Agreement, Canadian entrepreneurs can take advantage of new business opportunities.

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[*English*]

HAITI

Mrs. Christine Stewart (Northumberland): Mr. Speaker, Haiti is a country that has just come through decades of oppression under the cruel dictatorship of the Duvalier families and continues today to experience the cruelties of the vicious Tontons Macoutes and now the illegal government forces.

A year ago Haitians had the privilege of being able to democratically elect their own leader but as we know have just experienced the cruel withdrawal of that leader from power. Canada, with the OAS, has publicly supported the return of the democratically elected President Aristide to power in Haiti. The people of Haiti are hour by hour, day by day, threatened by the Haitian military. They demand the return of President Aristide. They need our help.

What is Canada is doing today to guarantee the return of President Aristide? Haitians who have been able to clandestinely make contact with the outside world speak of the murder, terror and persecution of those not in power in Haiti. Will this government assure us today that the trade embargoes against Haiti will be increased immediately to pressure a speedy return of Aristide to Haiti and that we will support his return with an international monitoring team.

* * *

NATIONAL INFECTION CONTROL WEEK

Mr. Bruce Halliday (Oxford): Mr. Speaker, October 21 to 25 has been designated as National Infection Control Week. The Community and Hospital Infection Control Association, known as CHICA-Canada, in conjunction with local health care facilities and community agencies will be promoting infection control and the role of the infection control practitioner.

A few patients acquire infections as a result of hospitalization. These are known as nosocomial infections, but for those who do become infected there can be a prolonged hospitalization stay and chronic health care problems.

Economically nosocomial infections may cost Canadians as much as $1 billion annually in terms of cost of treatment and loss of work due to a prolonged hospital stay. Many of these infections are preventable.

Throughout this week health care facilities across Canada will again be conducting special Infection Control Week activities to raise our awareness.

* * *

ELK

Mr. Jim Fulton (Skeena): Mr. Speaker, the politics of green have caught up with the Government of Alberta and sadly Canada's wildlife is the victim.

Alberta wildlife officers are now under order to kill all wild elk that come in contact with elk held at tuberculosis stricken game farms across the province. This bizarre shoot-to-kill policy is supposed to halt the flow of TB

from the game farms into the wild populations. What a policy. Protect the sick by killing the healthy.

The image of Alberta government sharpshooters surrounding the 26 quarantined Alberta game farms to slaughter Canada's proud wild elk population is truly sickening. Warnings of the spread of disease from the penned elk have been on the desks of federal and provincial ministers for many months. Who knows whether tuberculosis or other domestic diseases have not already been transmitted from the disease ridden stock under quarantine? In the greedy rush for the big bucks the Getty government has placed at risk elk and other ungulates of western Canada.

What's next? The slaughter of the elk in Banff and other national parks to protect the profits of a handful of greedy breeders raising wild animals for slaughter and body parts?

* * *

[*Translation*]

ABORIGINAL PEOPLE

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, an advertisement in the *New York Times* describes Quebec as the worst possible place for aboriginal people on the North American continent. In response to those lies, I have some statistics from Statistics Canada. Indians are over-represented in the prison population across Canada, except in Quebec, where they are under-represented. Quebec has fewer Indian families living below the poverty line, and the gap between aboriginal people and the rest of the population is smaller in Quebec. Ninety-one per cent of aboriginal people in Quebec speak their own language, while in Ontario only 50 per cent do so. Quebec also has the lowest suicide rate among aboriginal people. In Quebec, the number of homes without central heating, among aboriginal people, is much lower than in the rest of Canada. Canadian politicians should stop this hypocrisy, and aboriginal leaders should tell the truth instead of letting themselves be used by the federalists against Quebec.

• (1410)

Let us hope that the new government in Saskatchewan will be able to improve the situation of aboriginal people in a province that was headed by an NDP government for a long time and that has the sad distinction of having the worst record for the way it treats aboriginal people.

* * *

[*English*]

NATIONAL INFECTION CONTROL WEEK

Mr. Stan Wilbee (Delta): Mr. Speaker, like the member for Oxford, I am pleased to inform members that this week, October 21 to 25, has been dedicated National Infection Control Week in recognition of the many health care workers who have worked to assure the application of effective infection control measures to prevent the transmission of infectious diseases in health care agencies and community-based institutions.

The purpose of this week is to focus public and professional attention on the seriousness of hospital acquired and community infections and on the measures that can be taken to reduce them.

I am particularly proud to applaud the efforts of the Community and Hospital Infection Control Association for their efforts in sponsoring and organizing this week across Canada.

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[*Translation*]

ECONOMIC UNION

Mr. Gilles Bernier (Beauce): Mr. Speaker, economic union has proved beneficial for Canadians, but we should not take it for granted. We cannot maintain or improve our situation by marking time while the rest of the world marches on. We must constantly work on developing our prosperity by improving our competitive position on international markets.

If we achieve our ultimate goal, which is to reduce the national debt, we will contribute to our future prosperity. However, every level of government and every sector of our economy can and must do more to meet the challenges that will face us in the future.

No more status quo. We must make a concerted effort to ensure that our economic union leads to productive growth and creates jobs.

Mr. Speaker, we must reduce barriers to the exchange of goods, services, people and capital within this country. We must eliminate overlap and duplication in government services, so as to provide for maximum efficiency and effectiveness.

Mr. Speaker, these are major challenges that cannot be met without the participation of each and everyone of us.

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[*English*]

IMMIGRATION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, the minister of immigration announced on October 4, 1991 that the refugee backlog clearance program would be completed by December 1992 and within "its original budget of $179 million". There are at least two things wrong with this announcement.

First, when announced in December 1988 the deadline for completing the backlog was September 1991. Now we are told by the present minister that this date has not been met and that in fact cases within the backlog and in particular in Ontario, where most cases are, will not be completed until December 1992. This is a difference of 15 months.

This may not seem like a long time for the minister but for the tens of thousands of refugee claimants trapped in the backlog it is like a decade.

Tune in tomorrow when I will discuss the second major error.

* * *

[*Translation*]

MEMBER FOR SHEFFORD

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, this government recently distributed to all Canadian households a brochure entitled "A Personal Message to All Canadians—An Invitation to Help Build A new Canada".

Several days later, on the floor of the House of Commons, the hon. member for Shefford criticized this message and launched some cheap shots at the principal originators of this important document, the Prime Minister and the Minister responsible for Constitutional Affairs, the Hon. Joe Clark.

A Granby daily, *La voix de l'Est*, in an editorial under the headline "Joe Clark was right, whatever Jean Lapierre says", said that Mr. Clark was to be commended for his message to Canadians and especially to Quebecers.

Subsequently, editorial writer Valère Audy, who has known Mr. Lapierre for some time, severely criticized the attitude taken by the hon. member for Shefford. Mr. Audy writes: "The M.P. for Shefford can keep this up if he wishes, but except for a few people who are prepared to laugh at his jokes, his audience is dwindling rapidly. In other words, Mr. Lapierre, when you make fun of others, there comes a time when the joke is on you!"

* * *

DOMINION TEXTILE FIBERWORLD PLANT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, it is my sad duty to inform the House today that Dominion Textile's Fiberworld plant, located in Hawkesbury, in my riding, has closed its doors. Mr. Speaker, 86 hard-working constituents will swell the overflowing ranks of job seekers.

Two years ago, imported carpets accounted for only 10 per cent of our market; today this share has risen to 35 per cent. Fiberworld is thus unable to compete with the Americans. Our Canadian dollar, which was worth 75 cents U.S. less than two years ago, now trades at 88.7 cents. Fiberworld is no longer competitive with its American counterpart. The most outrageous part is that Canada will now import carpet canvas from an American subsidiary of Dominion Textile called Waynetex. The government must devalue our overvalued currency. I also reiterate the appeal for the federal government to set up an economic development program for eastern Ontario.

* * *

[*English*]

MINING

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise today to draw to the attention of the House the dismal condition of our country's mining industry. In many communities all across Canada mines have been closed, workers have been laid off, and entire towns and surrounding areas have suffered. We all recognize there is a life cycle to a mine. But many jobs in communities can be saved by positive action.

I call upon the government to establish a national mining reserve fund, a special fund created by a percentage of mining revenue. This fund would be used to assist mining communities prior to any possible closure. Mo-

neys obtained could be used to further exploration that may uncover new resources which would extend the life of a mining operation. The fund could also be used to build infrastructure that would attract businesses to mining communities, and money could be used to help laid off workers.

A national mining reserve fund would be an ideal vehicle to provide more stability for mining companies, mining communities and miners. The *ad hoc* approach of the past must be replaced. The federal government needs to be involved in an ongoing process to assist mining in Canada and to provide more security for those living in mining communities.

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NATIONAL HOMEMAKER AND HOME SUPPORT WORKER WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, October 20 to 27 National Homemaker and Home Support Worker Week will be celebrated across the country. This will be a time to recognize the outstanding work done by home support agencies. Congratulations to our government for supporting Home Support Canada, the organization representing such agencies.

Home care helps people to remain independent and allows them to receive any necessary care in their own homes. Continued support funds research into such significant areas as services to persons with AIDS and persons with Alzheimer's.

Home care provides a multitude of invaluable services such as snow shovelling, meal preparation and child care. So let us take the week to commend the homemakers in our communities for their important contributions.

ORAL QUESTION PERIOD

[*English*]

UNITED NATIONS

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. The name of the Prime Minister is now on an official list of names under consideration by the Security Council for the job of Secretary-General of the United Nations.

Some hon. members: Hear, hear.

Mr. Chrétien: I can understand some Tories being very happy about that. But this has very serious implications for the Prime Minister and his government and for the international reputation of Canada.

Canadians have the right to know this: Does the Prime Minister want to be Secretary-General of the United Nations? If not—

Mr. Speaker: I do have to remind the hon. Leader of the Official Opposition, who is a very experienced parliamentarian, that that seems to me a personal question and I think it is out of order.

Mr. Chrétien: It is a serious question and we want to know—

Mr. Speaker: I did not suggest it was not a serious one. I think it is a personal one and I think it is out of order.

• (1420)

Mr. Chrétien: We want to know why, if he does not want to be the Secretary-General of the United Nations, the Prime Minister let his name be put on such a list.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not put my name on any list, but I would tell my hon. friend that he should not lose any sleep over this.

The thing that I look forward to perhaps most in the world is meeting him in an election campaign in 1993.

Some hon. members: Hear, hear.

Mr. Chrétien: Mr. Speaker, I have to tell the Prime Minister that I am delighted. There are millions of Canadians who are disappointed because he is not leaving. One Canadian is very happy, and that is me.

Some hon. members: Hear, hear.

Mr. Chrétien: I was afraid he would chicken out and I am happy that he did not. Now we can come back and ask the Prime Minister this, if he does not intend to go there.

* * *

[*Translation*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, does the Prime Minister subscribe to the proposition of his finance minister, who said yesterday that 1.5 million unemployed was the normal level in Canada and that he could do nothing to change the situation. Now that the Prime Minister says that he

wants to take care of problems in Canada, instead of going around the world distributing his C.V. to everyone, will he soon present policies to put people back to work in Canada?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I did not say that the Government of Canada could do nothing.

The Government of Canada is doing everything to get Canada's economic and fiscal house in order. The fundamentals are right. Every think tank and objective organization in Canada and throughout the world recognizes that we are on the right track in containing inflation, bringing inflation down, regulating inflationary expectations, bringing about price stability and bringing about durable growth.

I think even the hon. Leader of the Opposition recognizes that there is restructuring and adjustment that must take place in the Canadian economy. That will provide a little more lead time in terms of being translated into jobs.

The fact of the matter is we should accept these serious challenges as a challenge. It is going to require not only governments, but it is going to require business, labour and everyone working together in co-operation to improve our competitiveness and our productivity so that we can take advantage of the opportunities in a globalized world.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I can see that the members on the other side are disappointed that the Prime Minister is not leaving—

Some hon. members: Oh, oh.

Mr. Chrétien: —and disappointed too by the answer of the Minister of Finance.

The minister is asking for more time. We have been in a recession for almost two years. It is the longest recession we ever had in Canada.

We want to know from him when he will do the right thing and put the workers of Canada back into jobs so that there will be money for the fishermen and the farmers in Canada. We are fed up with hearing statistics that mean nothing for them.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the statements of the hon. Leader of the Opposition are categorically false.

This has not been the longest recession. As a matter of fact, the recession which he was very familiar with lasted 16 months. This one lasted 12 months. We have recovered one quarter earlier than that which was expected.

Interest rates are down. They are the lowest they have been in 13 years. They are continuing to go down and not go up. Inflation is going down and not going up. We have one of the lowest inflation fates on record. Unemployment is going down. It is not going up. The trade balance is going up. It is not going down. All the indicators are pointed in the right direction and that will be translated into jobs.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Canada's prolonged unemployment crisis, a crisis the Minister of Finance acknowledges, is having a catastrophic effect on young Canadians. Canada's youth has to live with the harsh reality of a national unemployment rate of 17 per cent and in some regions of 25 per cent.

What immediate action will the minister take to solve this extremely serious crisis facing young Canadians?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, young Canadians are looking at their future and their current situation and are asking their governments at all levels not to do as the previous government did and try to throw money at a problem by bankrupting the country. That is what the youth are saying.

We have in place under the Canadian Jobs Strategy initiatives throughout Canada that require cash disbursements by our department of over $3 billion a year.

If the hon. member is not aware of the multitude of programs in place in every province, I would be more than pleased to give him time after Question Period and brief him.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, a supplementary to the same minister.

I gather from the minister's response that 17 per cent youth unemployment is indeed part of the jobs, jobs, jobs strategy he is talking about.

At a time when this government is talking about prosperity through competitiveness and while our global competitors are busy training, educating and offering employment opportunities for their youth, can Canada as a nation really afford to have 400,000 young people standing in the unemployment lines of this nation? Is this the new way to global competitiveness?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, it takes some gall for a Liberal to stand up in this House and complain about the youth and about unemployed Canadians being out there without help. We tried to pass Bill C-21 and I remember the Grits opposing that bill, where we activated $800 million more to train Canadians in order to be ready for the global economy that he does not understand.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker—

Some hon. members: Hear, hear.

Ms. McLaughlin: Mr. Speaker, that spontaneous outburst from my caucus obviously was out of respect for the premier elect of Saskatchewan, Mr. Romanow. We are happy to see that.

Some hon. members: Hear, hear.

Ms. McLaughlin: Mr. Speaker, my question is for the Prime Minister.

The government continues to talk about economic recovery and by the government's standards, perhaps it is a recovery. But hundreds of thousands of Canadians who have no work do not see this recovery. We have thousands of farmers who are no longer farming. Thousands of fishermen are no longer fishing. Factories lay idle and empty while unemployment and welfare offices are full.

Today we hear that the finance minister has said that it will be two years before he can see these people back working.

I want to ask the Prime Minister if it is this government's policy to do nothing for the 1.5 million unemployed in this country, and say that there is a recovery. There is no recovery. There is just more unemployment.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, just to advise the hon. member, last month 65,000 new jobs were created and the unemployment rate went down, from 10.6 per cent to 10.2 per cent. I think that is going in the right direction.

The Gross Domestic Product is increasing. Housing starts are on the increase. As I said, the key to job creation is bringing interest rates down. Interest rates have come down by well over 500 basis points, or 5.5 percentage points. That is creating and stimulating new investment and new opportunities for job creation. I might say that interest rate is the lowest rate in 13 years. Inflation is going down and prices are coming down, which adds to our ability to compete more effectively internationally.

The merchandise trade balance is up. Housing starts are up. Business confidence is up. As I indicated to other hon. members, there is a certain degree of lag time before that is translated into jobs.

• (1430)

[*Translation*]

Hon. Audrey McLaughlin (Yukon): I wish to ask a supplementary question, Mr. Speaker. A million and a half people are jobless and that is reality for many Canadians. Often children live in poverty because their parents lack work. When the Minister of Finance is faced with this reality, he says that he can do nothing for two years because price stability must be maintained. I want to reassure the Prime Minister that price stability will be maintained. His fiscal policies have knocked consumers out. Will the Prime Minister finnally tell his minister to implement a job creation program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance already indicated that nearly 75,000 new jobs were created, that interest rates were going down, that inflation was down and that everything was in place for quite a solid, lasting economic recovery. The real gross domestic product increased 0.2 per cent in July, the real production of goods increased, the volume of exports rose 3.5 per cent in July, housing starts jumped 6.9 per cent in September, 75,000 new jobs were created since the recovery began, including 37,000 in the manufacturing sector alone, and

unemployment fell 0.4 per cent in a month. Although it is not a miracle, I think that the Leader of the New Democratic Party should admit that the policies advocated and pursued by the Minister of Finance are in the national interest and producing real gains for all Canadians.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister.

Clearly what is happening with the fiscal policies of this government is that we are continuing to see more people unemployed. We had a debate two weeks ago on the prices in the farming industry. Everywhere you look, people are seeking jobs. That is the criteria this government should be looking at.

The Atlantic premiers are meeting because they have been told that they can expect $160 million less in transfer payments. As the Prime Minister well knows, that reduction would have a devastating effect on the people of the Atlantic who have suffered very badly from the decline in the fisheries and other economic factors primarily created by this government.

In the past, the federal government has had a supplementary expenditure for transfer payments. I want to ask the Prime Minister, if the premiers of the Atlantic provinces request this, in order to address the very serious problems they have, will his government consider their request.

Mr. Speaker: Just a moment. That is a completely hypothetical question. The minister may want to deal with it.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I want to advise the hon. Leader of the New Democratic Party that there is nothing unusual here. The equalization program is enshrined in legislation and there is a formula that is enshrined within that legislation. These adjustments occur at least two times a year. This normal adjustment process has occurred over the last number of years. As a matter of fact, in the last two years there have been incremental increases as a result of the new economic and financial data coming in.

Is the hon. member suggesting that we should readjust the figures and contravene the legislation? If that were to happen, then the provinces of Manitoba and Saskatchewan, which under this review are going to get more money, would be getting less money.

I think what the hon. member has to recognize is that we are governed here by a legislative measure. I should advise her as well that the issue of equalization and the whole issue of fiscal transfers is under review by the federal and provincial governments. If there are any inconsistencies or problems with the existing program, we will review that and hopefully provide the necessary corrective action in the next bit of legislative that will come down the pipe.

* * *

DE HAVILLAND

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister of Canada and it is in regard to the future of de Havilland.

Given that the European consortium will not pursue majority ownership any longer, and that without a new arrangement Boeing can possibly close and wind down its operations in Downsview, when will the federal government, rather than passing the buck continuously to the provincial government, act in the national interest and commit itself strongly and immediately to saving the thousands of jobs at stake at de Havilland, which only happens to be the leading aerospace manufacturer in our country and the single largest industrial employer in all of metropolitan Toronto.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we are very much aware of the position of de Havilland and its importance to the economy of metropolitan Toronto, of Ontario and indeed of all of Canada.

We have been working with the province of Ontario, with the Boeing company and with ANA. We have made representations to the European Community. We have been very much involved in trying to find ways to allow this company to continue in a successful way.

I would caution the hon. member from drawing too hard and fast conclusions from things that he reads in the media. These discussions are continuing and I would hope would have some successful conclusion.

Mr. Jim Peterson (Willowdale): Mr. Speaker, Canadian taxpayers have invested nearly $1 billion in the Augmenter and STOL wing technologies, making de Havilland the world leader.

However, in the United States Lockheed needs this technology in order to rebuild its C-130 Hercules aircraft and Boeing needs this technology in order to build military transports.

Will the minister tell us what guarantees he has that these technologies will not be stolen from Canadians?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member has asked a fairly complex question. If he had given me notice I would be able to give him a specific answer. But if he wants to provide me with the information that is behind that question I would be happy to get him a specific answer.

* * *

HUMAN RIGHTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister.

Yesterday in the House the Prime Minister seemed personally touched by the case of the Iranian woman who was being held under house arrest by his government following her torture in Iran.

I would like to ask the Prime Minister whether, having had a chance to review the case, he is now willing to personally take up her case and ensure that she and her family will not be sent back to Iran where she faces torture and her family faces a threat to life and limb?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, without at all commenting on the premise of the hon. member's question, which I really ask myself what the purpose of it is, I can advise the House that, as I indicated yesterday I have completed my review of this case and all the aspects of it.

Some information which was not before the Refugee Determination Board having been brought to my attention I have, following representations on the part of colleagues and members of this House, indicated and directed to officials of my department to process this family for admission to Canada.

Some hon. members: Hear, hear.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I for one am very happy that this happened and I am sorry that the issue had to be brought up on the floor of the House of Commons.

I for one, Mr. Speaker, personally intervened with the minister last week to bring to his attention the new information.

I want to ask my question now of the Prime Minister. Given that this particular case has been resolved in a positive way, and for that I thank the government, will the Prime Minister advise the Immigration Appeal Board that in future similar cases involving flogging will be dealt with in a positive manner so that no other woman will face the possibility that this woman faced?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I noted and took care to note that the decision that I have made to process this family for admission to Canada is based on information I have received.

The immigration refugee board, to which the hon. member refers, is an independent board set up by this Parliament. It operates without political intervention. Surely she is not suggesting that this minister or this government intervene in an independent process.

As for her larger issue, I do not think that it would be proper for me at this time to speculate on decisions which the board has to make. If the Liberal Party wants to suggest an amendment to the Immigration Act on the definition of what is a convention refugee let them do that.

• (1440)

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, we too welcome the decision of the minister on humanitarian grounds to allow this family to remain in Canada.

I want to ask a question of the Prime Minister which touches directly, however, on the situation of human rights in Iran. Yesterday when I asked the Prime Minister about the extension of a $1 billion line of credit to Iran, the Prime Minister said that his human rights policy only applied to the extension of aid.

I want to remind the Prime Minister that the former Secretary of State for External Affairs, now the Minister for Constitutional Affairs, said in a letter last year: "The Export Development Corporation takes direction from the Government of Canada on matters relating to

human rights abuses. The government can direct the EDC not to support exports to a certain country because of that country's human rights record".

In view of the clear contradiction between the Prime Minister's statement yesterday and the minister's letter, I want to ask the Prime Minister if he stands by the earlier assurance that the EDC will take direction on human rights and, if so, will this government stop this $1 billion line of credit to Iran, a country which flogs, tortures, detains, and executes its own citizens.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first I would like to draw a distinction for the hon. member between aid and EDC credit. EDC credit is made on commercial terms in the case of the arrangements with Iran. It is not aid. In no way is it considered to be aid.

We have on a number of occasions expressed our concerns to the Iranian authorities about their treatment of individuals. I did it personally when I was in Iran about a month ago. The Secretary of State for External Affairs did it when the deputy foreign minister for Iran was here earlier this year. This concern is something we have kept in front of the authorities in Iran and we will continue to do so.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, the minister states that these considerations are based solely on commercial factors, yet his colleague the former Secretary of State for External Affairs said that human rights considerations should be a part of EDC financing.

[*Translation*]

My supplementary question is for the Prime Minister. For 30 years, the American government has imposed a total embargo on Cuba, including food and medicine. At this session of the United Nations General Assembly, many countries will propose the elimination of this destructive embargo.

Given the policies of the Canadian government, which never imposed such an embargo and which supports the admission of Cuba to the OAS, will Canada support a resolution asking the United States to lift this embargo against Cuba?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, that is not a specific question to which I can give a precise answer, but I believe the position of the Government of Canada in dealing with Cuba has been quite clear. In dealing with Cuba, we have taken a different position from that of the United States in our relationships with Cuba and I think that the concerns that have been expressed by the hon. member have been reflected in the policies carried out by the Government of Canada.

* * *

ATLANTIC ECONOMY

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the four premiers from the Atlantic provinces are meeting on Wednesday to discuss an attack by this government on the equalization payments to the four Atlantic provinces. They are not meeting, as the Minister of Finance would have us believe, to have a tea party.

Does the Minister of Finance realize that the equalization payments to the three maritime provinces for this year are practically the same as they were last year, according to his department, and the equalization payments to the province of Newfoundland are actually less this year than they were last year.

How can this government be so cruel as to now suggest a further $116 million cut? Why this Atlantic attack?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, first of all may I advise the hon. member that equalization payments are not being slashed. They are being increased by $250 million to $8.3 billion. Unless the hon. member wants me to unilaterally change the formula, there is nothing I can do about it. This formula is enshrined in legislation. It is implemented on the basis of financial and economic data that flows in and these adjustments are made on a regular basis.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the utilization payments to the four Atlantic provinces are being cut. Not only are they being cut, but the Atlantic provinces have been asked, and they are doing it, to pay back equalization money that they

received years ago because of an audit done by the Department of Finance in March 1990.

I ask the Minister of Finance: How can the government of Canada forgive loans to foreign banks and to foreign countries while demanding money back in equalization payments from the four Atlantic provinces? Why this double whammy to eastern Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, in 1988–89 when this same adjustment was implemented, the adjustment ended up in an additional $1 billion directed to the provinces from the federal government. Does the hon. member want us to cancel that too?

For 1989–90, after the review was taken, as a result of the regular review based upon the formula and using the financial and economic data that flows in, there was an increase of $720 million. Does he want me to collect that back from the provinces?

You cannot have your cake and eat it. A formula is in place and it has to be honoured.

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FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question concerns the fisheries aid package and it is for the Minister of Fisheries and Oceans who yesterday accused members of Parliament of rumour-mongering that the package was inadequate.

Since that statement, I have received over 100 telephone calls in my offices from people who are very angry and very distressed by that statement. They are reaffirming that there is not enough money, there are not enough programs and the ones that are there are coming on stream too late to be worth while.

I am going to ask the minister again to consult with his job creation colleague and tell us why he cannot put more teeth in this program.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, all I can do is repeat to this House and to hon. members that we have in this program sufficient funds for the volume of people who have been identified. Assessments however, and this may explain perhaps his number of phone calls, are taking longer than we expected given the numbers involved. That is a reality out there.

We have begun the job of identifying specific amounts of money and negotiating contracts. This is being done as we speak. As the minister said yesterday, all people who qualify will be able to take advantage of that special program.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the minister is not listening. If you boil that $57 million package down, it works out to somewhere in the vicinity of $25 million for job creation. That is for 10,000 people. The Fishermens Union suggested $100 million might be more appropriate. In the minister's own figures that works out to $2,500 per person.

The minister may consider that as more than adequate. He may even consider it generous, as he said yesterday. Certainly the Newfoundlanders and the Atlantic Canadians who are receiving at that end do not consider it adequate, neither do I nor my colleagues. It simply is not good enough.

I want to ask the minister one more time: When will he get serious and come clean with Newfoundlanders and tell them how he is going to provide a reasonable solution to this devastating and demoralizing problem?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, we are not Liberals, we cannot predict the future. However, it is estimated that 4,300 fishermen and 6,000 plant workers have been unable to acquire sufficient weeks of insured earnings to qualify for UI. It is this money that the hon. member refers to which will create some 45,600 job weeks of work for those people.

• (1450)

Maybe we could raise taxes and or increase the deficit to give more, but I think that this package will help the fishermen in Newfoundland and Labrador.

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ARCTIC NATIONAL WILDLIFE REFUGE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the right hon. Prime Minister.

President Bush has now recommended to Congress that the largest unspoiled wilderness in the United States be opened for the development of gas and oil. These lands are known as the Arctic National Wildlife

Refuge. Since the drilling would take place in Alaska on the coastal calving grounds of the porcupine caribou herd, a decision posing a direct threat to the 200,000 caribou that spend most of their life cycle in Canada, will the Prime Minister contact President Bush and express the deeply-held Canadian view that we support wilderness designation for the 1002 lands.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, this issue has been ongoing for a certain number of years. In fact, the Government of Canada has been making representations to different representatives in the United States Congress and with the administration on this issue. In fact, we have been working in close co-operation with the governments of the Yukon and the Northwest Territories and with native people on this issue.

Last week, no later than Thursday, there was some positive developments when the Senate Environment and Public Works Committee I understand voted 12 to 4 in favour of designating that area as an Arctic national wildlife refuge, as a wilderness. That is a positive development. We intend to pursue this issue very vigorously.

Mr. Jim Fulton (Skeena): Mr. Speaker, the more important vote on this issue is going to take place on the floor of the whole Senate later this week, and even the members of the Senate there are encouraging Canada's Prime Minister to get in touch with President Bush if Canada is serious about drilling not proceeding on the 1002 lands.

I will direct my supplementary to the Minister of the Environment. Earlier today the all-party Standing Committee on Environment passed a resolution calling on the Prime Minister to call President Bush. All parties in this House for many years have unanimously held the view that there should be wilderness designation for the 1002 lands.

Since the minister has offered to lead an all-party delegation to Washington to talk to the Congress in the next short period of time about this, will the Minister of the Environment at least rise today and call upon his Prime Minister to call President Bush as this is a key executive decision-making ingredient to protect Canada's porcupine caribou herd?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the Government of Canada has made a series of representations on this very important issue to the American government at the executive level. No later than the week of September 16, for example, our embassy in Washington was instrumental in putting together a lobbying effort on this very specific issue. We have been very active at every level and we intend to pursue this issue, to be very vigilant, and to do anything in our power to ensure that this area be designated a wilderness area.

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[*Translation*]

RAIL SERVICES

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Transport. For several months, Via executives in their ivory tower in Montreal have been trying everything to abolish rail service in Abitibi and Champlain, with the complicity of CN President Ron Lawless.

Is the Minister of Transport prepared to make a decision this year on the future of rail services in remote regions, including Senneterre and Amos in Abitibi and Parent in Champlain County?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, it is quite obvious that both the President of Via and the Minister of Transport are concerned about this issue of rail services to remote regions. We are concluding a study on the costs of maintaining these centres and should be able to make a decision in a few weeks.

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VALUE OF THE DOLLAR

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my question is for the Minister of Finance. Yesterday, the Canadian dollar reached 88.77 cents, its highest level in 13 years. Since every cent increase in the value of the dollar costs nearly $1.3 billion in exports, can the minister tell us why he is pursuing policies that are disastrous for the Canadian economy and guarantee very high unemployment?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I have indicated in the House before, the Government of Canada does not have a set target for the value of the dollar, nor does it have a range, nor does the Bank of Canada have a range

or target for the valuation of the dollar. It is essentially set in the marketplace, and based upon a whole number of factors, including the capital flows, the need for capital, the need for capital to invest in meeting fiscal deficits, with respect also to inflation and the economic fortunes.

I should indicate to the hon. member that notwithstanding the value of the dollar which he suggests is too high, the trade figures indicate that Canadian companies are competing. Our merchandise trade balance is increasing, particularly our trade balance with the United States, which again demonstrates the effectiveness of the free trade agreement.

As was pointed out in *The Financial Post* this morning, Canada cannot devalue its way to prosperity.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, a supplementary to the same minister.

The government has added to the problem of high unemployment in the forestry sector with its high dollar policy. In that sector every one cent increase in the dollar translates into a loss of $100 million in exports.

What new and specific measures will the minister implement to assist the forestry sector in regaining its competitive edge and when can the forestry sector expect relief from this devastating high dollar policy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is true that there are very serious competitive pressures in the marketplace, not only from the current value of the dollar.

I remind the hon. member that for the last 40 years, the average value of the Canadian dollar *vis-à-vis* the American dollar was 92.6 cents. So, in historical terms it is not high. I know that it is high relative to recent trends, but the fact of the matter is that the value of the dollar does reflect a certain strength and stability in the Canadian economy and it provides the way in which we can continue to get the fundamentals right, that is bringing inflationary pressures down, bringing interest rates down. That will increase the opportunity to compete more effectively, bring down the cost of living and bring down prices.

POVERTY

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare.

The Canada Assistance Plan was established over two decades ago by a Liberal government to help Canada's poor maintain an adequate standard of living. Parliament defined "adequate" to mean that all Canadians should have food, shelter and clothing.

Given the number of Canadians who go to food banks every day, how does this minister define adequate for these people?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I just want to say that what we do in terms of the Canada Assistance Plan is done with the provinces and in conjunction with the capacity that the provinces have to put money in the system. I think there is a billion dollars put in by us and by the provinces into the system. By and large the system works well, but it has to work within the capacity we have to create the resources.

If my friend would would like me to say that we are ready to put in $1 billion, $2 billion or $3 billion more, I have to say that we do not have those resources.

As the Minister of Finance has said, we are trying to improve the economy to have the capacity to put in more and more.

I would say that if we can do more for poor people and for those in need in terms of services, we will do it. The member will agree that the resources have to be there. Maybe his party created the plan, but it created the deficit and the debt that came with the plan.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the Prime Minister.

Yesterday, several colleagues stood up and asked questions about food banks across this country. The Prime Minister and the Minister of Finance are fond of responding that national economic policies are helping Canada's poor. In Winnipeg we now have 36,000 people looking for jobs, and several thousand aboriginal youth who can no longer find jobs or training. We have thousands of people using the food banks to the point

where they are no longer able to feed people each month. These macro policies are not working.

I would like to ask the Prime Minister what specific plans he can present to the people of Winnipeg to help provide for them in the future.

• (1500)

This government has done nothing but take away things such as the Core Area Initiative and needs federal government intervention.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, what we said yesterday about Montreal and Toronto is true for Winnipeg.

With all the help that foods banks provide, I believe everybody in the House and in the country would like to do without them.

Second, he knows too that in order to be reasonable we have to provide as much as we can to have an economy which will produce jobs and let people work. We were talking about young people before. Now we are talking about everybody in the country.

The first move to deal with that is to give people the capacity to work. As simple as it is, when you work, you do not normally need food banks.

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LESLIE JAMES BENNETT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Solicitor General.

Very seldom in the lives of those of us who have been elected to office do we have an opportunity to correct an injustice of the past. I am putting my question to the minister in that light.

I think the time has come to correct an injustice. Leslie James Bennett was forced to resign as deputy chief of the RCMP, counterespionage section in 1972. He was accused of being a mole for the KGB and has proved to be totally innocent. His pension today is $4,500 a year and he is living in exile in Australia.

Will the minister review the file of Mr. Bennett with a view to a full exoneration and a reinstatement with full pension rights?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I agree with my hon. friend who makes the point that when we have an opportunity to correct unfortunate cases from the past we should do so.

My hon. friend was good enough to give me notice of his question. I have taken the opportunity to review the file with my staff and I find myself in a position of referring to the answer given to one of my predecessors in this House, the Hon. Francis Fox on November 24, 1977.

"Mr. Bennett left the RCMP on a medical discharge and in spite of rumours to the contrary, he was not paid off and nor ordered to get out of the country." I have nothing more to add at this point.

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INCOME TAX

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the Minister of Finance.

I believe the middle income earners have gradually been burdened with an unfair proportion of total personal income taxes. Will the minister be reviewing this problem with the idea of reducing tax rates or perhaps eliminating the surtax which was brought in in 1985 and now generates over $1.5 billion in taxes.

Clearly such a measure could give our sluggish economy a boost and help alleviate the unfair tax burden on middle income Canadians.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I certainly appreciate the hon. member's question, but I think that he would be the first to acknowledge the tremendous overhang of debt that Canadians face. The cost of servicing that debt consumes about $43 billion annually and takes 35 cents out of every taxpayer's dollar that we collect. It really restricts our ability to bring about any tax cuts.

What we are endeavouring to do, as the hon. member I know is aware and supportive of, is the ongoing attempt to reduce the deficit, bring our fiscal house in order, bring down interest rates and bring down an inflation rate.

The fact that we have brought interest rates down by over 5 per cent has translated into reductions of payments on a monthly basis on $100,000 mortgage. It

reduces monthly payments by roughly $320 per month. I think that is a good break for middle income people.

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UNITED NATIONS

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I have a single question. My question is for the Prime Minister.

The Prime Minister on April 6, 1984 in commenting on the then suggested appointment of the Minister of Finance of the day to the OECD as Secretary-General said: "Canadians have had it up to here with the hypocrisy of people who inflict unemployment on Canadians and then go off to cushy jobs".

My question is straightforward. Does the Prime Minister consider being Secretary-General of the United Nations a cushy job?

Mr. Speaker: I do not think that question is in order.

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PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of a parliamentary delegation from the United Kingdom Branch of the Commonwealth Parliamentary Association led by the Hon. Robert Boscawen, M.C., Member of Parliament.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY S. O. 81—HUMAN RIGHTS

The House resumed consideration of the motion of Mr. Robinson and the amendment of Mrs. Stewart (p. 3782).

Mr. Jim Edwards (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Madam Speaker, I appreciate the opportunity to participate in this debate and to add some thoughts to this whole question of human rights and

Canada's aid policy and to respond to the concerns of the hon. member opposite.

There are few development issues quite as complex or as sensitive as this one. It is an issue for which there are no easy answers, no fast solutions and no quick fixes. It is a matter that at times calls for delicacy and careful diplomacy. At other times more forceful measures are required.

I believe that Canada's policy on human rights and aid reflects a balanced and judicious approach, one that emphasizes progress rather than postering and one that is concerned first of all with helping to promote human rights through the development process.

Promoting human rights with development assistance is part and parcel of Canada's over-all foreign policy goal of encouraging greater—

The Deputy Speaker: Allow me to interrupt the hon. member for a minute. I apologize for interrupting the hon. member, but I think I will make his life and my life a lot easier once we get a little bit more quiet in this House.

Would it be possible for conversations that are held behind the curtains to be held in the lobby? We cannot hear anybody in this House except people who should not be heard. That goes for both sides of the House. The hon. member for Edmonton Southwest.

• (1510)

Mr. Edwards: Madam Speaker, our approach emphasizes support for the victims of human rights abuses while maintaining pressure on oppressive governments where required. This means that we do take human rights records into account in determining the nature and size of our aid programs in the developing world.

This does not mean that we automatically terminate assistance to the countries that do not have spotless records. We do not expect miracles. We do look for trends that indicate improving or worsening human rights situations.

It is true that in some cases assistance may be reduced or denied where systematic gross or continuous violations of human rights occur.

We do not think it wise or fair to punish the victims of oppression doubly by withholding much needed development assistance. Instead we look for the best means of delivering our aid to the people who really need it.

In many cases that means channelling our aid through non-governmental organizations or community and grassroots organizations, through the very groups that work with the poor, the disadvantaged and often with those bearing the full brunt of human rights abuses.

We work through them because very often they are in the best position to ensure that our aid reaches those in need. I could refer to the example just five years ago where, with the toppling of the Marcos regime in the Philippines, there was a re-evaluation of our aid program which up to that point had been delivered by non-governmental organizations. I will have something to say about that shortly.

This seems to me to be a far more reasoned and, I would argue, far more compassionate response. To cut off all aid without looking for alternative means of reaching the poor seems to me to be ill considered, counterproductive and harmful.

There are many ways to reflect this concern for human rights and democracy in our aid program. For example, personnel within the Canadian International Development Agency are trained on human rights issues. Our government has established the International Centre for Human Rights and Democratic Development headed by the Hon. Edward Broadbent to support research and provide guidance on this issue.

Canada has always been a forceful advocate of human rights in the international arena, in the UN, as well as within the Commonwealth and La Francophonie. Canada is continuing to move forward on the issue. We are refining our policy and exploring new avenues that broaden our conception of human rights to encompass the notion of democratic development. We are doing this because we recognize that development, democracy and human rights are closely linked and interdependent.

Development does not depend simply on economic and technical co-operation. It ultimately depends as well on economic and political pluralism, on grassroots participation. In a word it depends on democracy.

Democratic systems with their emphasis on free and open participation in the political and economic life of society and their respect for human rights are clearly best suited to creating an environment where human potential can be developed and put to full and productive use. For that reason CIDA is continuing to develop its thinking and activities on the theme of democratization and human rights.

Although CIDA's policy essentially remains that defined in the releases *Sharing Our Future and To Benefit a Better World*, the mechanisms for its implementation are rapidly changing. This enables Canada to maintain its position as a leader in defending human rights and democratic development.

We must show imagination. We must do much more to encourage and help our partners gradually to lay the foundations for a truly democratic society: elements such as an independent judiciary, freedom of the press, opinion and association, the establishment of the rule of law, a multi-party system and so on.

Even so lasting democracy cannot simply be built on a legal or institutional framework. For democracy to flourish and prosper many other elements are needed including a pluralistic and participatory society where a wide variety of organizations, institutions and enterprises are all free to express their views and pursue their interests. There must be a democratic culture that accepts compromise, the free exchange of ideas and the peaceful settlement of political competition.

There must be good governance because the legitimacy of a democratic process depends to a large extent on fair, open, competent and honest public administration.

Finally there must be progress toward economic and social development so that citizens have the means and ability to participate in the civic and political life of their societies.

There is a whole range of constructive activities that can be undertaken to build the foundations for democracy around the world. Let me now turn to some of those activities. Some are very direct, for example providing assistance to electoral processes. In the past two years Canada has been involved in electoral competitions in Namibia, Nicaragua, Benin and Malaysia.

Our association and assistance have taken many forms ranging from the provision of ballot boxes, paper and ink, to providing training for polling officers, electoral observers, jurists and legislators. In the case of Namibia, we sent election observers as well as 100 RCMP officers to

help ensure stability during that country's difficult transition to democracy.

Strengthening the institutions of government or international organizations is also important. As I have noted, we have created here in Canada the International Institution for Human Rights and Democratic Development as a new mechanism to further promote human rights and democratic concerns. We have carried this institution strengthening over into the international arena where we have put forward a number of proposals that would build respect for human rights and democracy right into the framework of a number of multilateral institutions.

For example, the Prime Minister recently announced that at the coming November summit of La Francophonie, he intended to propose the creation of a secretariat to support democratization within that organization's *Agence de co-opération culturelle et technique*. Canada has also suggested that a human rights information unit be established within *La Francophonie*. Similar initiatives are also planned for the Commonwealth and the Organization of American States has adopted Canada's proposal to create a unit for democratic development within its secretariat.

Within our aid program we have made decisions on aid funding that directly reflect our commitment to support the democratic and social stability that makes democracy possible. For example, Canada decided in 1986 to establish a major bilateral program in the Philippines in support of President Aquino's re-establishment of a democratic government in that country. In this case the program was subsequently developed very specifically to include two major components, one focusing on community development and the balance directed to broader economic support for central government needs. Our increased support is a clear sign of our commitment to help the people and the Government of the Philippines as they promote democratic development.

I had the great good fortune to have had a hand in this operation. In May 1986 I led on behalf of the then Secretary of State for External Affairs, who was governor of the Asian Development Bank, our delegation to the annual meeting of that bank. Shortly after I agreed to do so, there was the election of February 1986 in which the Marcos regime was defeated and President Aquino succeeded in part through people power. I was asked then by the Secretary of State for External Affairs and the Minister for External Relations to extend my visit in the Philippines and visit the areas where our aid was being delivered by non-governmental organizations, the Asissi Foundation and many others.

I spent 10 days travelling the country, visiting Cebu and Negros provinces and had an opportunity to meet not only government leaders, who were the fresh new leaders of democracy, such as Governor Daniel Lacson of Negros Occidental, but also church leaders, community development leaders and co-operative leaders.

Because the co-operative movement in the Philippines is doing very well and is very strong, the Bayawan Fisheries Co-operative in Negros Oriental is succeeding largely due to our efforts. Not only was there economic success but there was also success leading towards democratization and freedom of economic action.

While I am on the topic, I should also mention the great value of mission administered funds which are available at the discretion of our local ambassador. The example that I saw was the remarkable infusion of a very small number of dollars into a convenience store on the edge of Smokey Mountain.

• (1520)

Now Madam Speaker perhaps you have visited Smokey Mountain. It is a heap of garbage as tall as Parliament Hill. There are approximately 6,000 to 10,000 individuals living off that heap of garbage, ferreting around for valuables that can be sold and in some cases searching for discarded food.

Those people are the poorest of the poor in the Philippines. What happened there was that those living in that area had no store to go to not even a convenience store or any grocery store nearby. The nearest one was two or three miles away and it was run by the loan sharks. These poor people were in hock to the loan sharks.

What happened was that our mission administered fund under the direction of our then ambassador, Hon. Russ Davidson, offered something in the way of $150 Canadian in terms of capital to capitalize a convenience store on the edge of Smokey Mountain. That freed not only the people from the loan sharks but freed up a

beginning of a market economy for those very poor people.

I had an opportunity to see some follow-up to the five-point program which I was able to recommend to President Aquino and our government. I saw it consummated when I met the other day with Mr. Robert Dowling, a resident of Alberta and a former minister of tourism in the Alberta provincial government. He was on his way under the auspices of CESO, the Canadian Executive Service Overseas to Negros Occidental to advise Governor Lacson and the government of that province on developing a tourism industry in what is a very, very desirable tourist destination.

You see that our aid projects and programs themselves contribute in a very fundamental way to building the foundations of democracy throughout the developing world.

For example, the programs we support in the field of human resource development are essential parts of our strategy to support human rights and democratic development. Literacy and education are basic to forming the human capabilities that are most crucial to democratic life.

Human resource development, as the sponsor of today's debate knows, is a priority of side's work and programs like these account for a significant portion of Canada's development co-operation. Moreover women in development, another priority of side's work, makes a crucial contribution in this area. The programs Canada supports here help women throughout the Third World develop the personal capacity and the collective means to participate in the economic and political life of their societies.

CIDA has had a women in development policy since 1984. All of its bilateral projects must be evaluated for their impact on women. It also supports a wide range of projects that are especially designed to benefit women whether by providing them with credit to establish private enterprises or through support for groups that defend the most basic rights of women.

For example, we provide support to the Asia-Pacific Forum on Women and the Forum on Women, Law and Development, which is working to promote greater respect for women's rights.

Support for NGOs and community development organizations is also fundamental. Here again Canada is a leader, challenging a larger share of its aid through NGOs than any other major aid agency. NGOs connect individuals to the political process and are often in the front lines in defending citizens against abusive governments.

Just as importantly they serve as schools for democracy, teaching their members the value of free expression, compromise and civic life, all crucial qualities that can be carried over into the wider political arena.

In short they build the foundations for a culture of democracy that allows free and open systems to take root and flourish. Often NGO programming makes a very direct contribution to democratization. CIDA's program in the Philippines is a very good example. The government of that country has made it clear that it views NGOs as an important force for development and for democracy. I think one of the reasons for that is that President Aquino herself had a background in working for NGOs. Its mid-term development plan for 1987 to 1992 set out a policy for what it called "people powered development" which encouraged NGOs to promote the welfare of the nation.

CIDA has responded with a number of programs to help NGOs and co-operatives that are involved in poverty alleviation and community development. One of the goals of this programming has been to reinforce the capabilities of NGOs to influence the Philippine government policy on poverty alleviation issues, as well as providing them with direct input into the planning and orientation of the CIDA program.

Similarly Canadian NGOs are very active in the community level throughout Indonesia where they are playing an important role in empowering people to take charge of their lives.

Clearly there are a lot of positive things that the aid program can do to promote democracy, but if we are to encourage greater respect for human rights and democracy we need judgment, patience and understanding. That is why we have opted for a constructive rather than a punitive approach to human rights. We need these qualities because democracies and respect for human rights are not created overnight nor is the path to democracy direct, continuous and free of trouble. We must exercise careful judgment in responding to tenta-

tive initiatives or setbacks for democracy. To act hastily and terminate aid may simply nip democracy in the bud.

We must recognize that many factors go into creating and nurturing democracy. If development is essential for democracy, and I believe it is, then we must expect that the state of democracy throughout the developing world will to some extent reflect the differing levels of social and economic progress.

If we do not take these factors into account we may end up punishing the poor and therefore less open countries in favour of the wealthier nations. This in effect would amount to punishing those who are already the worst off.

Moreover we must always remember that our system of democracy is not perfect and may not be suitable for every society. Our democracies are not perfect nor are they the final immutable product of all human striving. We must therefore be prepared to accept that other countries will adopt other systems of democratic rule that reflect very much their own history and culture. We cannot impose carbon copies of our systems on to other societies.

It will require patience, understanding and careful nurturing if democracy is to take root throughout the world. Nonetheless I believe that however bleak the situation is in many countries the prospects for democracy have never been better. A vast wave of democracy is surging around the world sweeping aside decades old military regimes and one-party states. In its wake are a host of fledgling democracies and literally thousands of popular organizations that together give expression to a collective desire for greater freedom and self-reliance.

Canada is supporting that movement, but we are not doing it through empty gestures or moralistic and indulgent rhetoric. We are supporting democracy and human rights through a balanced and pragmatic mix of programs, policies and diplomacy. Our approach places a premium on helping those who need help the most. It is a positive and a practical approach and in an imperfect world the one that works best of all.

Years from now the 1990s may well be recorded by future historians as the decade of democratization. We can help in this process but only by making hard choices and difficult decisions. Our government is making those decisions. I believe that if Canada continues along its present course, future generations of Canadians will be able to look back with pride on the record of this government and this country and our collective contribution to human rights and democracy.

Mr. Jim Karpoff (Surrey North): Madam Speaker, I have listened with a great deal of interest to this debate and I have followed the Prime Minister's remarks, particularly those made in the context of the Commonwealth.

I wonder whether the Prime Minister took the opportunity to discuss human rights on a broader basis rather than just simply linking it to development with other members of the Commonwealth, particularly with countries like India where there is a widespread abuse of human rights in the Punjab.

Amnesty International has said in a report that serious human rights violations in the Punjab have persisted under three governments. They have set the stage for the widespread abuse by passing the grossly unfair 1987 Terrorist and Disruptive Activities Act and letting extreme violations like torture and killings go unpunished. Suspected government opponents are routinely tortured in police stations and detention centres. Hundreds of Sikhs are killed in fake shoot-outs staged by police called "encounters". Well over 10,000 Sikhs are being held in the state without any chance of getting a trial under laws which members of the UN Human Rights Committee recently called disturbing and completely unacceptable.

• (1530)

Amnesty International said people are often picked up by police, tortured or disappear on the slightest suspicion that they have ties with the armed Sikh secessionist groups.

The New Democratic Party and I condemn this type of abuse of human rights in the Punjab. We are wondering whether the Prime Minister raised it with the Prime Minister of India at the Commonwealth Conference. I note that the Prime Minister of India was the first member of the Commonwealth to dissociate himself with the linkage of aid and human rights when the Prime Minister raised it.

I would like to ask the member if he feels that the appropriate venue, as I feel it is, for the Prime Minister to raise these matters is the Commonwealth. Does he

not feel that he should have spoken out on all types of violations of human rights, not just linking it to aid?

Mr. Edwards: Madam Speaker, I appreciate the hon. member's question. It is a pertinent question since the Prime Minister has just returned from the Commonwealth Conference.

I do not believe that the Prime Minister confined his observations on human rights to the linkage with aid, nor has he historically over the past seven years. One will find when one examines this country's record in its dealings with South Africa, for example, that it is a very rigorous approach. It has been a graduated approach and only with the movement toward democratization that has occurred recently in South Africa has consideration been given by Commonwealth members, with a great deal of leadership from Canada, to the relaxation of some of the so-called people sanctions.

There are 25 countries in the Commonwealth that have declined to subscribe to a code of human rights behaviour. I do not know if India is one of those.

I listened with care to the comments the hon. member made about the situation in Punjab. I am aware of a number of the situations he describes.

I am afraid I do not know whether the Prime Minister in his bilateral meeting with the Prime Minister of India did discuss these instances, but I will undertake to relay the hon. member's question to the Prime Minister. It may be a question he may wish to put to the Prime Minister on some occasion.

I believe that the Prime Minister sincerely and very profoundly has human rights as a personal cause and that he does not see it within the narrow confines, although the very important confines, of linkage to aid.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I listened with a great deal of interest to the member opposite and his speech on aid and trade.

Recently the Prime Minister announced a review of all international support programs to ensure that they meet the aid criteria. It is still unclear to us on this side of the House what exactly the policy of the government is with respect to the linkage question. We in opposition, in fact all Canadians, have been asking for clarification on this point.

At a recent symposium here in Ottawa, NGOs put forth recommendations for a clearly defined criteria in determining aid and trade linkage issues. In other words, coherency. They agreed that there should be transparency in the development of foreign policies so that all Canadians could have input and that the government could be held accountable for its decisions.

I think we are curious, for instance, as to why Canada treats Myanmar, China and Indonesia one way and South Africa and Haiti in another. Those at the symposium expressed repeated frustration over the lack of consistency and transparency with the government in terms of the foreign policy development. They would like the government to live up to its own rhetoric on its behalf. If there is going to be a policy, it has to make sure that the policy is even right across the board.

These NGOs suggested strongly that the government take a holistic approach to its own foreign policy to involve in the process the NGOs.

I know the previous speaker mentioned that there was a good relationship between the NGOs and the government, as well as church organizations and human rights groups. These people wish to be involved and in fact do not believe that they are presently involved to an adequate extent.

They say consultation, consistency and conviction has got to be more prevalent with regard to the government's approach. I guess I would like the previous speaker to respond to whether Canada is isolating itself from some countries as opposed to others, or are we being more free with our policies with some countries? I have mentioned a couple of them with regard to high economic growth.

Take a country like Haiti where we do not seem to be dealing economically. I am wondering if he could comment with regard to the government's appropriate action and a rational approach to developing a foreign policy.

Mr. Edwards: Mr. Speaker, I appreciate the questions of the hon. member opposite.

With regard to coherency, transparency and input from NGOs into our aid policy, I do not think there are any countries that have a better relationship between their aid policy and the formulators thereof under non-governmental organizations.

There may be times when the input is not followed to the letter, but consultation is constant. It is thorough and cordial, and it will continue that way.

The hon. member referred to Myanmar and Indonesia as two examples by implication where Canadian aid is continuing in the face of repressive regimes. There is no doubt that the regime in Myanmar is repressive.

Perhaps the hon. member did not hear the Prime Minister's response in Question Period yesterday when he confirmed that the Petro-Canada International Assistance Corporation program in Myanmar has been terminated for the very reason of the human rights abuses in that country.

In addition, I did refer in my speech to Indonesia and a number of programs whose purpose is in power and that in itself is, I think, salutary. Indonesia is not nearly as repressive a regime as Myanmar, God forbid. It is not a pluralist party state and the military is intimately involved in the administration of the government.

With reference to Haiti, I believe if the hon. member checks she will find that there are a number of NGO funded programs aided by CIDA within Haiti. A number of them are properly targeted.

I take her point about a holistic approach and I believe that that is exactly the kind of approach that is being followed.

Hon. Roy MacLaren (Etobicoke North): Madam Speaker, the motion proposed by our colleague from the New Democratic Party would have Canada terminate immediately its assistance to some countries which are listed in the resolution.

I have a copy only of a draft resolution in front of me and I think that draft perhaps indicates the difficulty in this type of approach to foreign aid and trade. More specifically, the listing that was proposed by our colleagues from the New Democratic Party have been changed.

They cited among the other countries Gabon as a violator of human rights. Then Gabon was crossed out and Zaire was added. I do not offer that comment facetiously but rather as an indication of the difficulties in determining what I think is a misdirected exercise those countries which by some criterion are less than admirable practitioners of human rights and those which are not. I suppose all of us could be tempted to identify from our own particular points of view those countries that we think are violators and those countries that are not, but it always seems to me that in this sort of discussion that our energies would be better directed in two ways. One would be to attempt to promote the international criterion widely accepted, globally accepted if that were possible, but widely accepted criteria for human rights. Then you have a measure, then you have something that you can say: "Well, Indonesia and Iran do not measure up, but some other countries do".

• (1540)

The second thing that I think the energy should be directed toward in this sort of exercise is to ask ourselves this, and I say this quite seriously to our colleague in the New Democratic Party. Our international institutions are based essentially on a 19th century idea of the sovereignty of nation states. The United Nations is founded on the principle that the collectivity of the United Nations cannot intervene in the sovereign affairs of a nation state.

Yet, the sources of conflict today are increasingly at the sub-national level. They are within nations rather than between nations.

To what extent are we reshaping, modifying and improving our international institutions, and I speak not only of the United Nations family, but of a variety, a galaxy of international institutions. To what degree are we asking ourselves how those institutions can be improved so as to deal more effectively with sub-national disputes and by implication to deal with the questions of human rights, because almost invariably ethnic divisions within a nation state, or what I have called sub-national disputes, involve human rights problems?

I would urge my friends from the New Democratic Party, when they are considering this sort of an initiative, to ask themselves whether their time and energy would not be better directed to considering how Canada could contribute to a strengthening on the one hand of international criteria of what constitutes human rights, and on the other hand, to consider how our international institutions might be improved so as to enable them to deal more effectively with that growing source of inter-

national dispute, that is the ethnic and sub-national difficulties that we see in many countries of the world.

The second part of this resolution before us today urges the government to discontinue immediately Canadian participation in the Canada-United States-Mexico free trade negotiations in light of documented violations of human rights in Mexico.

Let us leave aside the question of what degree there are violations of human rights in Mexico, but let us think for a moment about the broader question. Is it likely that Canada will be able to contribute to the improvement of human rights in countries which, in our view, may violate human rights by terminating aid and trade with them? Do we think that is an effective sanction against their practices? Does history suggest—most recently I suppose in the case of Iraq and the gulf war—that economic sanctions of the sort envisaged here are the most effective way to bring about internal change in a country and to enhance the human rights in that country?

I think you will be able to infer that I have some real misgivings about this approach to our international relations.

I do not deny for a moment, and I cede to no one in my wish to see the evaluation of human rights be a feature of international relations, but whether those human rights are advanced by terminating aid and, as this resolutions says, terminating immediately Canadian participation in the Canada-United States-Mexico free trade negotiations, it seems to me an entirely different question.

Let me deal for a few minutes with the question of the negotiations with the United States and Mexico with a North American free trade area. In calling for the immediate termination of the negotiations, it strikes me that the New Democratic Party is once again setting itself on a course of protectionism. It is setting itself on that familiar and timid course of trade policy which is to attempt to develop autarky in Canada presumably and eschew the opportunities to develop greater trade relations elsewhere in the world.

Certainly for our part on this side of the House we seek to give further substance to Canada's long-standing commitment to freer trade, and I mean that in a broad, global sense, and to deny the sort of protectionism that seems to me implicit in the resolution that is before us today.

My party on this side of the House has urged co-operation among labour, business and government in Canada as a means of achieving a united front in the face of global competitive challenges. I have to regret that the government of the day does not seem capable of making any progress in bringing forward its ideas on how to enhance Canada's international competitiveness but, leaving that aside, in promoting our interests in multilateral free trade we have argued on this side of the House that the factors extending beyond the more traditional definitions of trade policy, such as environmental protection, labour standards and human rights concerns should also receive recognition.

We have certainly emphasized that continuing consultations with Parliament and with the people of Canada have to be prominent features of trade policy, again a commitment that this government seems incapable of giving substance to.

The talks involving Canada, Mexico and the United States were in effect triggered by the United States and Mexico. They were not a Canadian priority. By no stretch of the imagination could they be seen as a Canadian priority, but certainly once the two other countries in North America had embarked upon such discussions, it would have been impracticable for Canada to stay out of those negotiations.

The question however remains of how the government of the day has chosen to commit itself to those discussions. I deplore that in entering the negotiations the government has at no time set forward in a clear and cogent manner the reasons why it followed the U.S. initiative, the Mexican initiative, to attempt to create a North American Free Trade Agreement.

The Standing Committee on External Affairs and International Trade—its distinguished chairman is with us today and I say this is an all-party report—noted and I quote: "We were frankly amazed by the lack of detailed economic analysis of the cost and benefits of a North American free trade area".

Exactly so, we have not had from the government any clear indication of what it is that it is pursuing in the negotiations, what Canadian goals it is trying to achieve, what Canadian values it is attempting to express in those negotiations. Myriad questions remain unanswered

about the trade negotiations with Mexico and the United States.

• (1550)

Has the government embarked upon the talks with the goal of enhancing Canadian export opportunities in a growing market? Is that a quite clearly defined goal, the principal goal or the only goal? Is the government attempting to, on the other hand, multilateralize Canada's bilateral trading relationship with the United States? Does it see the continental relationship which it helped to create as rather restrictive and now embraces the Mexico opportunity to, as I said, multilateralize Canada's bilateral trading relationship with the United States?

Did the government, when it announced its intention to participate, regard the possible formation of a North American free trade area as an insurance against a possible failure of the Uruguay round of the GATT? That is something we should know in a few weeks time.

Did it base itself on a more negative or at least the passive belief that Canada, having entered into a free trade agreement with the United States, had no choice but to participate? I think the answer is probably yes. That remains the government's basic position.

At the negotiating table have we embarked upon policy initiatives to attempt to protect our vested interests in the existing Canada–U.S. trade agreement, or does the government see this negotiation with Mexico as an opportunity to reopen some of the issues which have been a matter of concern and debate within our country?

Specifically on the question of subsidies, does the government see the Mexican talks as offering an opportunity to ensure not only guaranteed access to the U.S. and Mexican markets but a commitment from both those governments to limit, reduce or eliminate subsidies, an area which has not yet been tackled in the bilateral agreement with the United States?

The government's failure, it seems to me, to articulate its position clearly in these talks has contributed to the sort of resolution that we get today which, as I suggested earlier, seems to me to be an example of muddled thinking but one which, at the least, can be justified to some degree by the fact that the government has never been clear on what exactly it is attempting to do within the proposed trilateral agreement.

At the same time that the government has failed to offer Canadians a clear explanation of its policy initiative. We have not had any indication from the government that it is prepared to undertake the adjustment assistance which is a necessary corollary of both the bilateral free trade agreement with the United States and the proposed trilateral agreement involving Mexico.

Any comprehensive adjustment assistance program for Canadians who are affected by these two trade agreements should, in my view, recognize the uneven impact on Canadians of moving toward freer trade.

I would cede to no one in my advocacy of multilateral free trade. I doubt very much that the government has fulfilled any of the requirements with regard to adjustment assistance that would make such an opening an effective opportunity for all Canadians.

Let me say that on our part, our approach to the Mexican talks has been predicated on a number of principles. We would seek, if we were directly involved in the negotiations ourselves, the following points.

We think that the agreement should be a truly comprehensive trilateral agreement which would both further multilateralize our trading relations and mitigate, to put it at its least, the unsatisfactory bilateral nature of the U.S.–Canada Free Trade Agreement.

Second would be the negotiation of trilateral provisions so as to ensure that Canada is not asked to cede more than Mexico is prepared to contemplate.

Third would be an agreement which could be extended to Canada's trading partners elsewhere in the western hemisphere and potentially to Europe and to the Pacific region.

Fourth, we believe that an essential part of any approach to liberalized trade must be a comprehensive adjustment program for Canadian labour and for Canadian industry to be undertaken prior to the conclusion of the agreement.

Fifth, we would seek commitment from the government to uphold Canada's social, cultural, and regional development programs and an explicit statement of Canada's minimal position prior to the upcoming subsidies negotiations.

Sixth and finally, we would look for provisions in a trilateral agreement for the protection of environmental and social standards including labour.

That represents our approach to the current Mexico–Canada–U.S. trade talks, but I want to turn to a moment in conclusion to a somewhat wider issue concerning how we trade with the world, an opportunity that I want to develop a little as a result of the initiative taken today by the New Democratic Party.

Members of the House will remember that my party opposed the Canada–U.S. Free Trade Agreement in 1988, not simply because of flaws in the agreement itself—and there were certainly a number of those—but more fundamentally because of the threat such a bilateral agreement can pose to Canadian independence. By entering into a bilateral free trade agreement with the Unites States to the relative exclusion of the rest of the world, Canada in our view would become further dependent on the U.S. market while diminishing its historic counterbalances overseas.

This, in short, was the road to continentalism and away from internationalism, a road which in my view a strong, independent Canada travelled at its peril.

The central question is how Canada can reduce its dependency on the United States within the context of the existing bilateral free trade agreement. Is there a way for Canada to avoid on the one hand continentalism and on the other a retrograde slide into protectionism as represented as I said just a moment ago by the approach adopted by the New Democratic Party?

What we have suggested is that the most effective and certainly the boldest way of achieving such a goal is to continue to expand Canada's open trading relations beyond the United States and beyond the continent. That is to say Canada should seek to become the first truly global outward oriented trading economy in North America.

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, I listened with interest to my colleague from Etobicoke North and his comments with respect to this opposition motion by the New Democratic Party and the points he made

I might add that I am also a little confused by this New Democratic statement today. One would wonder why it would not have included in its list of countries that have violated human rights a country that should stand foremost in our minds today: Iraq.

The hon. member who posed this motion missed Iraq and Romania with the dictatorial regimes that they once had. You would think they would come at the top of the list because all of us in this Chamber and around the world did not have any difficulty noticing what those individual leaders and regimes did to the very fragile part of the economy and ecology of those countries, as well as what they did to human dignity.

The same member who proposed this motion recently asked that special consideration be given to Iraq and yet by this motion supports the Prime Minister in opposing aid to any country that has great human rights violations. If that is not the greatest contradiction of policy that I have heard in the last little while, it really poses some very difficult questions for me to understand what the point of view is of the New Democratic Party.

• (1600)

I will not comment on the fact that I cannot ask a question directly of the member, but to the previous speaker who had some difficulty with it. Regarding tremendous violations, and one that we are so familiar with which happened so recently, does he believe that we should not rethink the situation as we have done with South Africa because of a human rights violations and the lack of democracy?

There are a lot of other countries listed here that clearly have dictatorial regimes, very evidently very hard on any individuals who oppose them. Should this government or other governments not consider some aid sanctions under those circumstances? Would he not agree that unless some very severe situations should turn around in those countries and regimes we should demonstrate publicly, openly and in this House some restrictions of aid? I did not say total trade, but I talked about aid. I would like him to comment on that.

Mr. MacLaren: Madam Speaker, my colleague from the government side of the House has asked, as it were, for a comment on the policies of the New Democratic Party. I would only say to him that they are like the peace of God: they passeth all understanding.

On the substance of his question as to whether there are instances where Canada should pursue unilateral economic sanctions, there may be. I would hope that in every instance before contemplating such a step we would consult with our friends in the OECD and in the United Nations on such matters and attempt to evolve, as we did successfully in the case of Iraq, a system of economic sanctions that might, if given more time, have been more effective. That question is somewhat academic now.

It does not undermine the fact that the consultations and co-operative effort are, I think, a better way to go in almost any instance than to pursue a wholly unilateral approach. I think one gets into this terribly difficult question of arbitrarily deciding who is good and who is bad, who is reprehensible and who is to be rewarded. I think that sort of approach is more effective if it is carried out on a multilateral basis.

Mr. John Brewin (Victoria): Madam Speaker, perhaps I could ask the hon. member for Etobicoke North some questions about his comments on trade policy generally. He used his intervention in this debate to discuss some of the issues on trade and particularly his attitude toward a free trade agreement with Mexico.

I take it, and I hope I am correct in this, that he is the spokesperson for his party on issues of international trade and therefore his comments on the issue of the free trade agreement and discussions with Mexico are an authoritative statement of his party's position. I just want to be sure that I understood the general drift of his remarks.

As I understood it, he sees no problem whatever with Canada entering into a free trade agreement with the United States and Mexico, but what he had instead were some—

An hon. member: Oh, oh.

Mr. Brewin: We hear the other wing of the Liberal Party apparently objecting to this characterization of things. I will rely on the member for Etobicoke North to explain himself rather than his erstwhile friends to my far right.

As I understood his position, he essentially agrees in principle, if I may put it that way, with a free trade agreement.

He would have us participate in the discussions. His concerns are rather that the government is, if I can put it in the vernacular, screwing up the idea rather than with the idea in itself. I think I should explain to him that our party's position is very clear and unequivocal. We do not favour a free trade agreement with Mexico and we are strongly opposed to participation in those negotiations.

I would like to hear him just clearly put on record so there can be no misunderstanding his party's position with respect to the free trade agreement discussions with Mexico.

Mr. MacLaren: Madam Speaker, I would refer the hon. member for Victoria to the sixth report of the Standing Committee on External Affairs and International Trade dated December 12, 1990 where the position of the Official Opposition is set forward quite clearly and in some detail.

My hon. friend spoke about my erstwhile friends to the right. They are not erstwhile friends. I am proud to say they are present friends and they will be future friends, so I would not accept for a moment that they are erstwhile.

Indeed, I would also recommend to the hon. member for Victoria who seems to take an interest in these matters that on this complex question we eschew the simplistic and protectionist approach of the New Democratic Party. It is in no way our policy to attempt to circle the wagons and not equip Canada to compete effectively with the challenges of a global marketplace.

If the hon. member does not know, then I think he should know that the very same questions which are being posed to Canadians by the negotiations with Mexico and indeed to a substantial degree by the agreement with the United States, flawed though I think it is, are the same questions in essence that will be posed to Canadians in the years ahead by the growing economies of Asia, by the resurgence of Europe 1992.

These are the same questions of how Canadians compete. How can they compete better? How can they equip themselves to compete? These are questions which lamentably this government has not addressed. It

has not addressed them. It is a signal failure of their whole approach to free trade with the United States and now negotiations with Mexico, but which for my part, our party is committed to.

When we form the next government, I can assure the hon. member for Victoria that we shall commit ourselves to a program of assistance which will ensure that every Canadian benefits equitably and fully from the advantages of a freer global trading economy.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, I would like to take this opportunity to respond to the motion tabled in the House this morning by the hon. member for Burnaby—Kingsway, a motion that to my mind needs considerable clarification.

I would like to start by extending my warmest congratulations to the Prime Minister on his vigorous and impressive statement on human rights during the recent Commonwealth Conference of heads of government held in Harare. It was a splendid opportunity to announce Canada's carefully considered position on human rights issues and their impact on the process of determining Canadian channels and levels of assistance.

First of all, issues as important as human rights cannot and must not be avoided just because they are delicate matters and may lead to disagreement between governments.

Second, the profound and sustained commitment of our fellow Canadians to respect for these fundamental rights was reflected in the past few days, more clearly than ever before, in the past few days in the various media that shape and reflect public opinion. This positive reaction to the Canadian government's initiative makes it incumbent upon us to persevere in our efforts to improve our record, to strengthen our commitment and to intensify our dialogue. We have learned, from history and experience, that the advancement of respect for human rights and establishing democratic institutions based on participation by the people went hand in hand with economic development. We are also aware that in many countries, the tradition of respect for the law is a fragile one.

• (1610)

However, that is where we must start, either to discourage corruption, to ensure a harmonious change of government, to safeguard the yield on production and investment, or for a host of other reasons.

It was the fragile nature of respect for these fundamental rights that inspired the government to found the International Centre for Human Rights and Democratic Development, located in Montreal. The purpose of this centre is to foster a broader understanding for the need for reforms that make respect for human rights an integral part of the day-to-day concerns of societies, their institutions or agencies and their respective governments.

It is not an easy task. We have seen a tendency among certain countries to co-operate with their neighbours in hiding from the international community the extent of human rights violations committed in their respective territories. However, such strategies, used by countries who vote as a block to cover up the real situation, are doomed.

Canada will continue to use its influence on a bilateral level and join countries that uphold the same principles, in order to exert pressure that will not be limited to mere reprimands of a moral nature.

Nevertheless, we are glad to see that national and international institutions have created a number of mechanisms that embody our respect for human rights. Unfortunately, Madam Speaker, much remains to be done because we must improve these mechanisms and define new kinds of rights.

We must be aware of the various dimensions of human rights and today's and tomorrow's imperatives, because world peace and security are based on respect for these rights, and economic and social development will not be viable without that respect.

For instance, in many societies, women have traditionally been disadvantaged. That is why the defence of women's rights has always been an urgent priority for Canada. Our country is generally recognized in the international community as a leader in this important field. Thus integrating women in development is a priority of the Canadian official development assistance strategy.

On another level, Canada was one of the first donor countries to be concerned about the fate of the most vulnerable groups in the application of structural adjustment policies by developing countries.

CIDA is now busy working with its partners in developing countries on economic reform and structural adjustment policies that will considerably improve rather than worsen the condition of the weakest social groups, especially women and children.

This work is even more important since the United Nations General Assembly adopted the Convention on the Rights of the Child. We know the leading role that Canada played at the World Summit for Children in New York last year, under the co-chairmanship of the Prime Minister of Canada.

Our country is an ardent defender of children in the international community.

We committed about $350 million through CIDA last year to initiatives that directly or indirectly benefit children in developing countries, in such fields as health, education, the environment, improving the role of women in development or in other key areas like food aid or AIDS prevention.

Support for child vaccination programs is a large part of Canada's aid for health in developing countries. You will recall that in 1985, the Prime Minister of Canada launched the first phase of the Canadian international immunization program. Nineteen national organizations and six international agencies took part in it.

Under this program, Canada committed a total of $43 million over five years. This international effort helped save the lives of over 8 million children in the world. We recently began the second phase of this worldwide immunization program which will extend vaccination coverage for the most dangerous childhood diseases. These major commitments will contribute significantly to the improvement of opportunity and living conditions for the world's children. Is the right to life, Madam Speaker, not the first human right?

In these times of profound and rapid changes, in this world where peoples freed from the colonial yoke found their most legitimate aspirations reflected in the precepts of the United Nations Charter, we must think collectively on what must be done to prevent a setback in hopes for progress in respect for human dignity.

In 1987, when we published the Canadian official development assistance strategy in *Sharing Our Future*, the Government of Canada undertook to tie its international development policies to respect for human rights. We set up a system on which to base our assessments and judgments. These appraisals are essential because every situation is difficult and comparisons are quite misleading.

In countries where human rights are systematically violated and where there is no guarantee that Canadian aid reaches its destination, the channels and levels of government-to-government assistance are reconsidered. Aid is then concentrated on our development partners who work directly at the grass roots, like non-governmental organizations that can transmit this aid directly to the poor in needy regions.

In the case of Zaire, Madam Speaker, mentioned in the motion by the hon. member for Burnaby—Kingsway, CIDA's aid program is targeted mainly at rural areas. It is delivered on the basis of partnership, thus meeting constraints and operational difficulties. Much of the cooperation program is now inoperative since many cooperants were evacuated from Kinshasa, Butembo and Goma.

Of the 71 Canadians, including dependants, in Zaire as part of the bilateral cooperation program, 61 were evacuated, Madam Speaker. The ten remaining provide a minimum essential service.

For the time being, we aim to provide the essential in emergency humanitarian assistance through the Red Cross or other religious or charitable organizations represented in Kinshasa.

It must be understood, Madam Speaker, that any money sent by CIDA never goes to the government itself. Only discussions are held between governments to establish the country's needs and the money is then paid to the agencies that do the work.

The people of Zaire, already among the poorest in the world, were hard hit by the events of September, which will lead to more misery with the destruction of many businesses and factories that provided employment and with the havoc in the food supply system.

• (1620)

Madam Speaker, withdrawing aid would amount to penalizing these disadvantaged groups twice for a political situation for which they are not responsible. Although it wishes to ensure that Canadian development aid does not contribute to the legitimacy of repressive regimes, the government must also ensure that victims of human rights violations are not doubly penalized by being deprived of the aid they need, in addition to being deprived of their most fundamental rights.

If a constructive instead of a punitive approach is taken to the issue of human rights, development assistance, if granted with discernment, can contribute very substantially not only to development but also to the cause of human rights. In fact, that is one of the points the Prime Minister made in his statement at the Commonwealth Conference.

Incidentally, Madam Speaker, perhaps I may remind honourable members that the next *Sommet de la Francophonie* will be held in Paris instead of Zaire, because Canada wanted to protest against the abuses committed by the present regime. In fact, at the Chaillot Summit, our Prime Minister intends to suggest setting up a unit for human rights and democracy within the *Francophonie*, whose mission would be to prepare elections, observe the electoral process and train staff. Five elections of this kind will take place next year, and Canada is determined to support the process.

Developing an appropriate Canadian response is the most difficult and delicate aspect of promoting human rights as part of our foreign policy. In our relations with other countries, we use the mechanisms at our disposal to encourage or persuade these countries to apply internationally accepted standards.

We must understand, as was pointed out by the Prime Minister, that our aid program complements other mechanisms used by the government to implement its foreign policy, such as the expression of criticism through multilateral agencies for the protection of human rights, and putting restrictions on official relations, trade and sales of military and other equipment.

Promoting human rights and democracy can be supported in a host of ways. CIDA is actively involved in developing ways to support this process through NGOs, involved in education, health, technical assistance and other areas. We also support the activities of regional and multilateral agencies such as the Organization of American States, the Commonwealth and the *Francophonie*.

There are a variety of positive approaches and it is the duty of us all to support as best we can the worthy efforts of the grass-roots in developing countries. It is also our responsibility to support the government in its efforts to convince the international community to consolidate the economic development and human rights agendas. This way, not only do we promote justice, but at the same time we give human societies a greater chance of enjoying real economic and social development.

The Canadian foreign policy continues to be based upon the promotion and protection of human rights and basic freedoms. Both at the bilateral and multilateral level, Canada has worked very hard and with dedication to promote the implementation of international standards regarding these rights.

It was clear from the Prime Minister's statements in Harare that this government is firmly determined to see these factors fully integrated in Canadian foreign relations and that development assistance programs reaffirm human dignity.

Madam Speaker, I fully support this approach and, in closing, I would like to remind you that on December 1st we will be celebrating the 43d anniversary of the Universal Declaration of Human Rights which states, and I quote:

> Recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.

[*English*]

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I listened intently to the hon. member's comments and I know of her deep concern for humanitarian aid, whether it is in our own country or internationally, and so I welcomed her comments. But she ended by referring to the remarks made by our Prime Minister in Harare. Of course, every time our Prime Minister speaks when he is out of the country he just adds to the confusion.

Canadians, especially the NGOs and the receiving countries, do not know where they stand as far as aid and trade with Canada.

I was pleased that yesterday the Prime Minister, in response to questions from the opposition, did at least clarify the difference between providing, as he called it, aid versus commercial transactions, aid giving and granting capacity of Canada in regard to the international community. That is what it is limited to. He tried to clarify his remarks by referring to aid versus commercial transactions and trade.

I would like to ask the member what her interpretation would be of the Prime Minister's remarks in regard to the plight of the children in Iraq.

Last week we had a delegation make representations to members of Parliament about the plight of the children in Iraq who had to be operated on literally in the streets during the war. They showed us videos of a child's hand being cut off, of other children being affected by the bombs and the shrapnel still in their bodies. Because of the sanctions, they do not have the hospital equipment, the bandages and the medicine to operate on these children. One hospital was shown as not having any windows. They cannot operate on these children because the dust will blow through the windows and there will be infection and these children will die.

There is an international appeal right now to help the children of Iraq. The Speaker received an invitation from a committee of the European Parliament to send a Canadian parliamentary delegation to see for ourselves what these children are facing and how we as Canadians can help.

Taking into account the Prime Minister's remarks when he was out of the country and yesterday during Question Period, what is her interpretation? Would her party be in full support to help the children of Iraq or, because of the human rights violations in Iraq, we would not help these children in Iraq?

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, I would like to return the favour to the hon. member for Parkdale—High Park, who is also very concerned by development and anything that goes on in this world.

His question concerning those children suffering in Irak touches me very deeply, as a mother and as a former teacher. One cannot be insensitive when one hears about children suffering in some part of the world. On the other hand, madam Speaker, if Saddam Hussein, the president of Iraq wants to make amend, if he shows good faith—and we will soon know the outcome of the mission that went to Iraq—and if he does not continue to build an arsenal of nuclear, bacteriological and chemical weapons, I imagine that the countries of the world will show compassion and might lift the embargo if, in the first place, good will is shown on the part of Saddam Hussein.

• (1630)

[*English*]

Mr. Ray Skelly (North Island—Powell River): Madam Speaker, it is interesting. I think the House has indicated its support of the Prime Minister's statement in tying, aid, trade and human rights together.

This party is asking that it take concrete action so that it is not hollow rhetoric, that in fact it gives meaning to the government's program. That is what our resolution tried to do today. It lists a number of actions that would be supportable by many sides of the House.

It also points out that Mexico is a major violator of human rights. In addition to that, we are being asked by this government and the United States to join in a negotiation to a treaty in which Canadian sovereignty would be reduced in this treaty and which our standards for social programs, health care and labour rights would be reduced, and generally our economy would be reduced. We are being asked to join in this.

Our motion today asks that that negotiation be discontinued because of Mexico's human rights violations. More than 100 members of the opposition party have been killed; hundreds of trade unionists killed.

The Liberal Party today opted out of that and said: "No, we support that and we want to continue those negotiations".

Through you, Madam Speaker, may I ask the previous member if she supports that initiative of the Liberal Party to continue those negotiations with Mexico in light of the human rights violations there. Does she support the fact that the Liberal Party wants to continue those

negotiations in light of those human rights violations toward a Canada–U.S.–Mexico trade agreement.

[*Translation*]

Mrs. Duplessis: Madam Speaker, first of all, I would like to remind the hon. member for the New Democratic Party that the government's approach to human rights is intended to be positive and constructive, not punitive. Canadian aid must not aid and abet repressive regimes.

I happen to know that the New Democratic Party objected to free trade with the United States, and now that we are discussing free trade with Mexico, it is objecting again.

The hon. member claims that Canada's sovereignty will be diminished by free trade with Canada and Mexico. I don't think Canada's sovereignty is affected by the Free Trade Agreement.

Regarding the intent of our policies at External Affairs on human rights violations, the government has made it clear it does not want to be punitive. Madam Speaker, if we isolate ourselves and refuse to talk to other countries, how can we exert a positive influence and be able to change things?

I want to make it clear to my colleague in the New Democratic Party that I support the Free Trade Agreement with Canada, United States and Mexico, as I did when this extremely important issue was before the House. Today, Madam Speaker, the economies of our various countries are so intertwined that we suffer the consequences of a decision made halfway around the world.

Madam Speaker, it is important for Canadian businesses to have a big market, to be able to invest and to have access to markets that are much larger and more substantial that our own.

Today, our industries seem to be adjusting to the situation, and we will see that the agreement will be a very beneficial one for Canada. Personally, I was not aware there were human rights violations in Mexico or that they were as substantial as the hon. member claimed. I will be glad to check this, but I think that if we maintain economic ties, it is a way to be able subsequently to exert some kind of influence and be in a position to protect the people of these countries, since they suffer most as a result of these human rights violations.

[*English*]

Mr. John Brewin (Victoria): Madam Speaker, I have to say just by way of opening that the hypocrisy of the government on this issue is absolutely breathtaking.

We have just listened to the minister go on with this long explanation about how devoted the government is to human rights in other countries and to progressive policies in official development assistance when this minister has presided over the persistent dismantling of the programs that this country has supported for years and years and years, the increasing commercialization for Canadian benefit of official development assistance and the complete ignoring of reports from this House of Commons committees on the issue of human rights development.

In 1987 the Standing Committee on External Affairs produced a report "For Whose Benefit". That was the name of the report. It recommended a human rights unit be established in the Policy Branch of CIDA to co-ordinate human rights policy with External Affairs, that CIDA develop an appropriate human rights country classifications system and that an annual ODA human rights review be tabled in Parliament.

What has happened over the last four years? Zilch. Nothing has happened. The minister has been completely negligent in the way in which he has responded to the report of the standing committee with respect to human rights.

She has presided equally over a change of programs to favour business; the merging of the Special Programs Branch with the Business Co-operations Branch, severe cutbacks of assistance and aid to reputable NGOs, non-governmental organizations such as CUSO, Crossroads and Canada World Youth.

The minister has no business standing up in this House and proclaiming the government's virtue with respect to human rights. This government has set this country's reputation back over the last eight years.

The Prime Minister said in his remarks in Harare that Canada will not subsidize repression and the stifling of freedom. He said: "We shall increasingly be channelling our development assistance to those countries which so respect the fundamental rights and freedoms". Yet in Mexico, 5 million to 10 million children under the age of 14 are working in Middle Ages conditions.

This government sits down at the table with that government and negotiates a free trade agreement, the result of which will be that Canadian workers will be asked to compete with those who are working under primitive working conditions with no rights whatsoever. The ultimate long-term effect will be to take from Canadian workers the rights that they presently enjoy. That will be the equalization effect of a free trade agreement with Mexico that is permitted to continue to violate the basic rights of human beings under the UN charter.

There is only one approach to trade agreements with Mexico and with other countries in the world. It is to say as a precondition there must be an agreement to have a social charter with that country ensuring that employment rights, human rights, environmental rights are maintained and developed in those countries to a standard that meets international standards, standards to which Canada can adhere. Only at that point can Canada consider free trade agreements with those countries. Only then will Canadian workers be protected from the impact of an attempt to compete with those who suffer as they do in Mexico.

• (1640)

The motion before the House calls on the House to take note of the Prime Minister's recent statements and calls on the government to discontinue immediately the current negotiations with Mexico and to review all international support programs to ensure they meet the eight criteria announced by the Prime Minister.

Any discussion of this motion has to begin with an analysis of the extent of the problem involving human rights violations around the world. First of all, it should be seen that generally there is a rise in violations around the world.

Second, every country on the globe, including Canada, is guilty at one level or another of significant human rights violations. In our case, we see the condition on reserves across Canada and the treatment of our native people. We had the example even in this House a couple of weeks ago of a government driving through legislation forcing its employees back to work, counter to the provisions in my respectful submission of the Charter of Rights and Freedoms which requires all Canadians to have equality and respect of the law, including, I submit, the law giving employees in Canada the right to free collective bargaining and the right to strike, except in exceptional circumstances.

Third, it is necessary to note that problems with human rights violations do not simply involve people languishing in far-flung jails. The violations occur in a myriad of ways, and the violations of human rights that are occurring around the world are not merely the product of foreign feuds or tinpot dictators in local countries with which we have no connection. The reality is that we in the west are co-conspirators in the violation of human rights that is occurring increasingly in every corner of the globe. We export the means of repression and violation. Now the methodology of torture, as documented by Amnesty International, has taken on even more horrific tones in the latter part of this century.

There is documentation suggesting that the U.S. government, for example, has trained those who use the most modern methods of torture against their own citizens, torture which is becoming more deadly and more efficient.

The violations of human rights that are occurring around the globe are often generally in the interests of the countries of the west, including Canada, and we along with the United States, which has been particularly active and aggressive in this, have in fact encouraged regimes which are repressive, maintained regimes which are oppressive and actively supported them.

We have often given indirect assistance through our propping up of multinational corporations and our use of the products of multinational corporations, our integration in the international economic system, while we stand by and watch those same corporations locally sustain repressive regimes.

We see the expansion of the U.S. military all around the world. We see it from our part of the world particularly in the Pacific, and the dumping of toxic wastes in other countries, the use of other countries essentially as U.S. military bases.

Finally, we have supported consistently policies which bring Third World countries into environmental, economic and social degradation, all of which is as significant a violation of human rights as a violation of the individual right to security of person. The UN human rights charter itself has sustained the proposition that

social, economic and environmental rights are equally a matter of concern as are other human rights. Our government, as demonstrated by its persistent refusal to respond to every urging to change its policies in respect of development assistance, is a co-conspirator in the deprivation of human rights around the world. We see the practical effect on Canadians of these policies because as human rights sink around the world, as people are deprived of their employment rights, the rights to organize, the rights to bargain, the right to reasonable working conditions, the right to strike around the world, as these rights are deprived of people they put other countries in an intense competitive position *vis-à-vis* Canada.

How are we going to change it? First, we must change the international economic social environmental policies and structures. Second, we have to change Canadian official development assistance policies as outlined, for example, by Canadian churches in a submission today, as outlined in the resolution before the House and as outlined by the Standing Committee on External Affairs. We have to deal with the worst cases and those worst cases have been outlined: Iraq and Iran, China over Tibet, Indonesia over East Timor, Kenya and South Africa over its violations through the use of RENAMO in Mozambique. We have to support the agencies of the United Nations and the Commonwealth that are seeking to deal with human rights violations.

We must support Amnesty International and other similar organizations, and we must not participate in free trade negotiations with Mexico which will lead to the violation of rights of the people in those countries and the violation of rights of Canadians.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, once again I want to say what a positive thing it is that we have had this debate here today, but I want to go back to the member for Halifax about his comments this morning when we have to separate, and understand the difference between rhetoric and reality.

Earlier today I asked the member from Spadina, if he realized that about 70 per cent of our manufacturing jobs in this country were related to exports that involve countries that in some way, shape or form were involved in human rights violations, and the member for Spadina was quite direct. He would just say: "Listen, we would cut off all of those contracts".

Does the member for Victoria share that view? Everyone in this House is supportive of the fact that we develop plans and approaches to eliminate human rights violations. Even the New Democratic Party earlier today complimented the Prime Minister on his initiative of recent days. I think we have to give him the benefit of the doubt that his words are absolutely sincere and he will back them up with action.

I want to ask the member what he will say to the Canadian Labour Congress, Premier Rae, Premier Harcourt and Premier Romanow who are involved in the national economy of this country and who are concerned about jobs and agricultural exports. I just do not see it as black and white as the member for Spadina. I would like to hear what the member for Victoria says.

Mr. Brewin: Madam Speaker, I, too, agree that of course it is not a matter of black and white. As I said in my speech, all countries including Canada violate human rights in one fashion or another and no one is perfect and no country is perfect.

It should be understood that there are choices that we make as a country. Our official development assistance for example is limited. We would like to see more of it, but it is limited and we are forced to make choices. For example, we had before the external affairs committee people from Mozambique who are pleading for money. The government just recently agreed to give $1 million extra aid, but that country needs far more if it is going to stand on its feet and it is going to survive and the people in that country are going to survive. We are providing assistance to South Africa, to Namibia, countries which have the potential for doing the right thing, programs which are very good.

• (1650)

With those potentials, why then is the government providing Export Development Corporation assistance to Mexico with the human rights record that it has? How come Petro-Canada is entering into agreements with Burma? How come Canada is giving a $500 million line of credit to Kuwait after the treatment that that country metes out to Palestinians? How come Canada is entering into agreements to provide military equipment to Saudi Arabia, given the record of that country in respect of the rights of women? How come Canada is giving $30 million of foreign aid to Kenya when Kenya is financing RENAMO in Mozambique? How come Canada is supporting Iran, Rwanda, China, Zaire, Indonesia? We have choices

and we should make those choices, as the Prime Minister says.

The Prime Minister was quite correct and the Prime Minister I am sure if he comes to the vote on this, if it should get to a vote, will have to vote in favour of this motion because this motion puts into words the sentiment that the Prime Minister offered in Harare. What we would like to see is the government put action behind the words of the Prime Minister in southern Africa.

Madam Deputy Speaker: Resuming debate. The hon. member for Edmonton East.

Mr. Harvey (Edmonton East): Has the period for questions and comments elapsed?

Madam Deputy Speaker: There was only, as the hon. member knows, five minutes of questions and comments as the hon. member's colleagues are sharing their 20 minute period. There was only five minutes and that five minute period had expired, so we are resuming debate.

Mr. Ross Harvey (Edmonton East): Madam Speaker, I rise today to join in this debate and perhaps attempt to move from the general that has exercised the attention of the House for some considerable time today and bring it down to one specific. Before doing so I would like to briefly review the terms of the motion which urges the House to "take note of the Prime Minister's recently stated commitment to the principle of linking government aid to respect for human rights" and then urges the government "to review immediately all international support programs to ensure that they meet the aid criteria as announced by the Prime Minister".

An excellent suggestion. The one instance I would like to offer where justice cries that this be done, one of many as my hon. colleague noted, but a very important one, is in the sad country of Burma, now subject to renaming by its despotic military rulers as Myanmar. Consistency demands that the fine words of the Prime Minister be matched with equitable actions by the government.

In this instance those equitable actions require that the government vote its 80.5 per cent share in Petro-Canada to compel the company to cease its commercial activities in Burma. The reason for this is simple. The outlaw regime currently governing Burma has committed among the worst human rights atrocities to be found in that unhappy corner of the world and cannot any longer be permitted to escape the censure of enlightened world opinion.

This is not a debatable point. Amnesty International in its 1991 report notes and I quote: "More than 350 prisoners of conscience and possible prisoners of conscience were known to be among thousands of people believed held for political reasons. Many were detained without charge or trial but others were sentenced after unfair trials by military tribunals. Torture and ill treatment of prisoners were reportedly common".

The same report continues elsewhere: "By the end of 1990 the actual number of people held for political reasons was thought to be in the thousands".

This is to say nothing of the routine torture that some of those prisoners undergo.

It is, for example, for her brave resistance to the despotic regime that Madam Aung San Suu Kyi has been awarded this year's Nobel Peace Prize for her, as the citation says, non-violent struggle for democracy and human rights within Burma against the military government now ruling.

The Canadian government, to its credit, acknowledges its concerns for human rights in Burma. The then Secretary of State for External Affairs, the right hon. member for Yellowhead, issued a news release on October 5, 1990 expressing the government's grave concern that members of the National League for Democracy continued to be detained by the interim government. That is a direct quote from his news release, which went on to call for the release of all political prisoners.

The Canadian government acknowledged the seriousness of the situation as well when it instructed the Petro-Canada International Assistance Corporation, the international development arm of the Petro-Canada Crown corporation, to withdraw from its oil exploration assistance activities in Burma. This withdrawal took place even before at least some of the PCIAC activities

were taken over by CIDA after the February 1991 budget.

However, and this is the situation that compels me to speak today, Petro-Canada, which has been Canada's flagship energy company now subject to privatization and now being sold to private investors, is still active in Burma and the Canadian government is doing nothing about it.

Let me quote from the June 18, 1991 Petro-Canada prospectus. Page 19 states: "Since 1988 Petro-Canada has substantially increased its international exploration activities, particularly in areas such as Myanmar", that is Burma. "In Myanmar Petro-Canada operates one offshore block in which it has a 70 per cent interest and participates in another in which it has a 30 per cent interest. In 1990 more than 620 miles, which is to say 1,000 kilometres, of seismic data were gathered and drilling is planned for both blocks in 1991".

Page 36 of the same prospectus reads: "In each of the countries in which Petro-Canada is active the petroleum exploration and production rights held by the company are issued by the central government in that country either directly or through its national oil company. After according Petro-Canada a percentage of production to cover its exploration, development and operating costs, the agreements generally provide for sharing the balance of production between Petro-Canada and the government or national oil company".

What that means is that Petro-Canada, our company, is aiding the military dictatorship of Burma in the development of those resources.

There is more. I quote from the *Edmonton Journal* of May 25, 1990, an article from the *Canadian Press* datelined Calgary: "'Petro-Canada paid $6 million in cash to the military dictatorship of Burma for the right to mount a drilling program there', the Crown corporation said Wednesday. Petro-Canada spokesman Sheilah O'Brien said Wednesday the national oil corporation turned its cash over to Burmese authorities as a 'signing bonus.' The payment, which goes to Burma's military regime was required to close a deal for rights to prospect for oil and natural gas on a concession or land area".

That is blood money. That is blood money being paid by what was our national oil company. More recently it has been revealed that Petro-Canada is training in its Calgary office the son of the managing director of the state owned Myanmar Oil Corporation as part of its technology transfer program.

We cannot stress enough that Canada's involvement through Petro-Canada brings great comfort to the Burmese military regime. I quote from the *Bangkok Post* of November 9, 1989: "At a time when many donors have adopted a wait and see attitude, Canada has continued its assistance to the economic and social development of Myanmar. Rear Admiral Wong Wom Kym said in Rangoon, 'A friend in need is a friend indeed'".

Is it not delightful to have Canada known as a friend indeed of the military dictators of Burma? There was a time before the government's privatization move when it would have been easy to instruct the Crown corporation to get out of Burma. As section 89(1) of the Financial Administration Act had it, and I quote: "The Governor in Council may, on the recommendation of the appropriate minister, give a directive to any parent Crown corporation if the Governor in Council is of the opinion that it is in the public interest to do so".

The thing to bear in mind is that it is still possible to do so even after privatization for, as is noted in the prospectus again of June 18, 1991: "The Government of Canada has stated that it will deal with its common shares as an investor and not as a manager, and that it does not intend to exercise the right to vote at meetings of shareholders although it reserves the right to do so".

• (1700)

The Crown has reserved the right to vote those shares. Therefore in the interest of making real the policy about which the Prime Minister has spoken it must vote those shares. It must vote those shares to cause Petro-Canada to cease its activity in Burma until such time as the legitimate democratic governance of that country is restored.

In pursuit of such a policy almost a year ago on November 22, 1990, I wrote to William Hopper, chairman of the board and chief executive officer of Petro-Canada. I quote from my letter: "I urge you to take the admittedly difficult step of winding down and thereafter suspending all of Petro-Canada's activities in Burma", now known by some as Myanmar, "as quickly as possibly. I further urge you to ensure the suspension of activity

prevails until such time as democracy is restored to that unhappy land".

Mr. Hopper kindly replied on December 6, stating in part that were the company to follow that advice "we would, however, have sacrificed a long-term investment opportunity in response to what we hope will be a short-term political problem". It is more than a short-term political problem. It is a tragedy and a crime.

Also on that same day I wrote to the energy minister, the hon. member for Provencher, and to the then minister of external affairs, the right hon. member for Yellowhead, urging them to "convince your cabinet colleagues to vote the government's shares in Petro-Canada in such a way as to effect the company's withdrawal from all operations in Burma". Although I did not receive a reply from the then Secretary of State for External Affairs, I did receive a reply from the minister of energy in which he noted: "It would be contrary to the policy we have been following since 1984 and to the present course of privatization for the government to vote its shares in this point".

We have a new policy enunciated by the Prime Minister. I must conclude I would do so by urging them to follow that policy and forget the previous one.

Mr. Benno Friesen (Surrey—White Rock—South Langley): Madam Speaker, first of all I want to underscore that the policy enunciated by the Prime Minister is not a new policy. It has been in existence as long as this government has been in office and, in part, when the previous government was in office. I note that the New Democratic Party has been playing a giant game of human rights hopscotch around the world, picking and choosing those regimes it wants to talk about and, among other things, the member for Victoria said that Mozambique ought to be getting more aid.

I would ask him: Does he know clearly what the human rights record is of Mozambique? Has Mozambique now passed the test for human rights in order to get more aid? If he knows, if he really knows, does he approve of the human rights record of Mozambique? While I am asking questions like that, since it changed the motion and crossed out the word "Gabon" in the motion and added "Zaire", why rather than adding Zaire did it not add Cuba?

Cuba is not the most stellar example of democratic institutions. The caucus of the New Democratic Party ought to understand it very well. Enough of its members take their Christmas vacations in Cuba. They should come back informed. Why would they not talk about Cuba as being a country that ought to have its aid cut back because of its human rights abuses?

To take the point that the member for Edmonton East has just made regarding Burma, he would have the public understand that there has been no change in aid allocations regardless of regime. I want to outline for him that countries that saw Canadian assistance increase or resume for good human rights performance, improved democratic practices, or better governments are Benin in 1991 following democratic elections, Haiti in 1990 following President Aristide's election, the Philippines in 1986 following President Aquino's democratic election, and Uruguay in 1985 following President Sanguinetti's democratic election.

Some countries saw Canadian assistance decrease or cut off entirely because of human rights abuses or non-democratic practices: Haiti in 1991 in response to the coup—I hope members from the NDP caucus can remember that far back—China in 1989 as a result of the Tiananmen Square massacre, Myanmar in 1988 in response to the forceful repression and I will have more to add to that, and in 1987 in response to a coup bilateral aid was suspended as a result of the apartheid policy of the government in Fiji now. Assistance was suspended after an execution in Berchina Faso and resumed in 1991.

Members of the New Democratic Party would believe that once aid is in place it stays regardless of the regime. That is not true. The aid has been cut off, suspended in Burma. They should not mislead the Canadian public by letting it believe that aid has gone on in unrelenting consistency during this regime.

Mr. Harvey (Edmonton East): Madam Speaker, very briefly, the reason I did not deal with any of the instances raised by the hon. member is that I had but 10 minutes to speak and it took 10 minutes to go through and deal reasonably with the matter of Petro-Canada's activities in Burma. It is a fact that the federal government could

vote its shares in Petro-Canada and cause Petro-Canada to withdraw from Burma.

It is a fact that as long as the federal government does not do that Petro-Canada remains active in Burma and that gives direct aid and comfort to the military dictatorship in Burma. That is the matter I chose to deal with.

Just very briefly dealing with the question of Mozambique, if the hon. member wishes to imply that the human rights record of the Government of Mozambique is not spotless, I will agree with him. Compared to the abuses of the South Africa financed, so-called Renamo movement operating in Mozambique routinely, for example, decapitating people at whim, I would say that the real human rights abuses, the most dangerous and persistent human rights abuses in Mozambique, come not from its government but from the puppets of South Africa.

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Madam Speaker, it is a pleasure for me to take part in this debate today on the motion brought before us by the hon. member for Burnaby—Kingsway.

In this motion the hon. member makes the remarkable contention that the human rights situation in Mexico is so deplorable that we must suspend our trade negotiations with that country and the United States. By making this claim, he has clearly decided to overlook the substantial progress Mexico has made in the human rights field. Beyond that, he has chosen to scorn the potential contained within a North American free trade agreement to build a better society in Mexico, a society better able to provide and protect the freedoms of its citizens.

I will return shortly to the important improvements that Mexico has made in its human rights record, but I would like to begin by talking briefly about the ways in which a closer economic association between Mexico and its two northern neighbours will contribute to the strengthening of political, legal and human rights.

Like governments everywhere in the last decade, Mexico has been part of the movement to throw off the shackles of government control and create a new economy in which market signals play a much more important role. The government of President Carlos Salinas has embarked on a major program of privatization and deregulation that will create a more flexible economy better able to meet the needs of its citizens.

One of the inevitable results of this process is the removal from the close, continuous and suffocating control by government of so many aspects of daily economic life. Economic power in Mexico is being wrested from the hands of bureaucrats and is being returned to the marketplace where it belongs. As economic power is being distributed to more hands, so is political power.

It is no coincidence that in all the world's most advanced economies, in all the G-7 countries including our own, democratic institutions hold sway.

• (1710)

When free economic actors with diverse interests pursue their various objectives, a free political dialogue is the inevitable result. The ambitious program of the Salinas government to return power to the market is a force for pluralism, a force for greater political freedom.

This trend in Mexico will be reinforced by the proposed North American Free Trade Agreement. The agreement will help release at all levels of Mexican society even more entrepreneurial energies than those already put into play by domestic reforms. That will solidify the foundation of political reform but, beyond that, the trilateral agreement will also bring about a closer association among the people of the three countries.

There is no better way to strengthen human values than through the close and continuous exchange of ideas. Ideas are transmitted in many ways, and they are often transmitted through the marketplace.

As the three countries learn more and more about each other, their people will increasingly make comparisons among themselves and draw conclusions about their way of life. There is no greater force for political freedom and respect for human rights than in the power of example.

In a North America where the people have come to know each other better, few will care to be seen as lacking the appropriate regard for human rights. Looking ahead, it seems inevitable that a closer economic

association with Canada and the U.S. would have positive effects on Mexico's social and political institutions.

Free trade will generate a multiplicity of connections, institutional linkages, contacts and influences that will have a considerable impact on all levels of society, both theirs and ours. No doubt this will be a long-term process, but Mexico is moving in the right direction, away from the elitist and economic disparity toward a more open, fairer system.

Human rights regarding social, labour and environmental matters stand particularly to benefit. Historically Canada has encouraged all countries to be more open economically and politically in their relations with the international system.

Looking at Mexico in particular, free trade could offer the material incentives for achieving this goal. A prosperous Mexico joined with North American markets and technology would act as a positive element in the geopolitical dynamic of North American and the hemisphere at large.

Although the view from outside a country's borders is frequently incomplete or misinformed, no government is comfortable with international criticism of its domestic policies. In this regard, Mexican President Carlos Salinas has been deeply concerned about his own country's reputation of the political and human rights front since the inauguration of his administration in 1988.

He has realized that the trilateral negotiations have focused extraordinary attention on political developments in Mexico and he has been energetic in pursuing political reform.

I would like to remind the hon. members that President Salinas has publicly recognized on successive occasions that human rights violations in Mexico do pose a problem. To address the problem, however, President Salinas appointed a human rights commission in early June 1990 mandated to investigate and report on alleged human rights abuses.

The commission is headed by a Supreme Court judge with 11 prominent Mexicans. Since its establishment the commission has issued two reports, both demonstrating the commission's independence through the criticism of long-standing government practices.

Canada is encouraged by these developments which mark clear progress toward improving the promotion and protection of human rights in Mexico. Other initiatives undertaken by the Mexican government include a major reform of the civil code in 1990 to prohibit admission in court of evidence obtained through torture.

These initiatives of the Mexican government point to an improvement in Mexico's human rights record. In the estimation of Canadian observers and Mexican activists, Mexico continues to move in the right direction. However, much remains to be done and Canada will continue to maintain close interest in this important question.

I can assure that Canada will continue to maintain our very constructive dialogue with Mexico on the human rights issue. I am pleased to inform my colleagues in the House that the deputy minister to the Mexican attorney general will visit Ottawa and Quebec next week for discussions on these very questions. Over-all then, Mexico's record is improving, albeit not overnight. As these positive trends continue there is no justification whatsoever for not continuing participation in the Canada-United States-Mexico free trade negotiations, as the motion before the House states. As Canadians observe the increasing globalization of issues, we are reminded once again that acting alone we can contribute only marginally to resolving the problems confronting us in the Americas and elsewhere. We must work together. That is why Canada became a member of the Organization of American States where we can work together with our hemispheric colleagues to address such pressing issues as human rights, democratic development, the environment, drugs and arms control.

As a full and active member of OAS, Canada is committed to the promotion and defence of human rights in the hemisphere, consistent with provisions of the OAS charter. To cite one example, the OAS unit for promotion of democracy, a Canadian initiative supported by Mexico and all other OAS members, has contributed to democratic development and political rights in the hemisphere through election monitoring missions. The current difficult situation in Haiti will further test the unit's capacity to protect human rights in the hemisphere.

I have spoken about the benefits of closer economic association generally and the progress Mexico has made on the human rights front. Let me focus now on the North American free trade negotiations specifically. We cannot overlook the importance of Canadian participation in these negotiations. Canada decided to participate

in the North American free trade negotiations because it is in the national interest to do so. Only by being at the negotiating table can we improve and secure greater access for Canadian goods and services and ensure that Canadian interests and concerns are properly and fully addressed. Moreover, only by participating in the negotiations can we ensure that Canadian companies share the same access as U.S. companies to all North American markets, thereby promoting job-creating investment at home here in Canada.

Madam Speaker, Canada's broad objectives in the NAFTA negotiations are; first, a barrier-free access to Mexico for Canadian goods and services, while developing tariff phase-out provisions and safeguard mechanisms which reflect Canadian import sensitivities; second, improved access to the U.S. market in such areas as financial services and government procurement; third, improved conditions under which Canadian businesses can make strategic alliances within North America to better compete with the Pacific Rim and the European communities; fourth, ensuring that Canada remains an attractive site for foreign and domestic investment; and fifth, the establishment of a fair and expeditious dispute settlement mechanism such as that which has served Canadian interests so well in the Canada-U.S. Free Trade Agreement.

Mexico is prepared to work with Canada to achieve a balanced comprehensive agreement in the interests of all three countries. This openness to substantial change is remarkable. It augers well for a positive change more generally throughout Mexican society. After decades of running a closed economy, Mexico saw the economic well-being that other countries had benefited from as a result of lower tariff and non-tariff barriers.

Since 1986 the average Mexican customs tariff has decreased from over 25 per cent to around 10 per cent and maximum rates have reduced from 100 per cent to 50 per cent. Import licences and border restrictions have also been radically reduced; moreover, the government of President Salinas has instituted sweeping tax reforms, thereby eliminating tax loopholes, promoting a regime of better enforcement and a broader tax base, and as a consequence increasing tax revenues dramatically. Mexico has also significantly liberalized its treatment of foreign and private investment capital, especially as a result of new regulations approved in 1989.

A dynamic and determined Mexican administration is transforming the country into a modern, prosperous and globally competitive player in world markets. Indeed, the president of the World Bank has described Mexico's reforms as "one of the most ambitious, courageous and determined programs of economic reform and institutional change recently undertaken in any country".

• (1720)

Mexico is a country that is rejuvenating itself in creating the kind of vigorous economy that will benefit itself and its trading partners. There is no doubt that Mexico's reforms are working. The indicators of new-found economic buoyancy are numerous. Mexico's gross national product for example is expected to rise by 4.5 per cent to 5 per cent this year, up from 3.9 per cent in each year of 1990 and 1989 and much lower figures during the height of the debt crisis. These are remarkable figures when much of the world economy was experiencing slow down or recession.

It is also important to stress that Mexico has successfully dealt with its debt load. Its indebtedness is no longer an obstacle to business looking for new opportunities. Mexico's economic reform minded leadership has firmly taken matters in hand and is creating an economy with which Canadians can most certainly do business.

Canadian companies have the chance to market not only goods but needed services as well and very important in Mexico's push for productivity is the development of human resources. Canadian firms that offer products and services that help in the development of human resources are well received in Mexico. The fuller integration of Mexico into the North American economy should also provide greater stability for Mexico's economic, trade, monetary and fiscal reforms already undertaken to date.

Throughout increased trade and economic expansion Mexico hopes to continue to improve working conditions and living standards. Trade and economic growth will also generate more resources for the Mexican government to enforce existing laws. What many people do not realize is that Mexico's extensive labour legislation is protective of workers' rights. The problem lies in the fact

that the government simply does not have the resources necessary to properly enforce these regulations.

With the prosperity that increased trade will bring that will change for the better. A successful NAFTA will be of benefit for workers and business. In all three countries the primary purpose of negotiating such a deal is to increase trade. One-third of Canadian workers have jobs that are dependent on trade.

Increased trade creates jobs, increased trade creates prosperity for the country and for its workers, the same as is true in Mexico.

Free trade improves the economic and social conditions of our trading partners, but in the process of doing so, our partners become better customers and we become more competitive suppliers. This is the power of liberalized trade. By bringing down barriers in the North American economy, we can create more opportunities for still more Canadian business.

It is this promise of helping to build a more competitive Canadian economy that sustains us in our determination to win a balanced North American free trade agreement that will be beneficial to all three countries. It is precisely for this purpose that Canada is pursuing NAFTA negotiations. The NAFTA will make all three countries more prosperous through free trade. Prosperity in turn brings greater business openness and freedom for the whole population which can only encourage greater social change.

It is not by turning our backs on Mexico that Mexican society can continue to evolve positively. An inward looking closed society in Mexico is in no one's interest. We must work with Mexico actively seeking closer co-operation. This will encourage greater familiarity with the social attitudes and norms of fully democratic societies in its own way. This is what the North American free trade agreement is all about.

In closing, I say change and growth through co-operation. Only narrow minded isolationists want us to proceed otherwise.

Mr. Ray Skelly (North Island—Powell River): Madam Speaker, as quoted in *The Ottawa Citizen* on September 18 of this year Amnesty International basically said it takes a strong stomach to read the report entitled "Mexico torture with impunity". It documents one horrendous case of abuse after another, most involving Mexico's federal judicial police. People are kicked, beaten, pushed into water tanks, given electric shocks, burned with cigarettes, subject to mock executions. Some are nearly asphyxiated by tying plastic bags over their heads. Others are forced into bowls of excrement. Toe nails are ripped out. Mineral waters are forced into them. It just goes on and on and on. Children are subjected to this, as are women and teenagers. It is very difficult, in the face of about 100 members of the political opposition killed, hundreds of trade unionists killed, to suggest that Mexico has any commitment to a reform program and that any success even to that is small.

But that is not what concerns me about the debate today. I listened with care to the presentation by the speaker. The one thing that you can count on is the Conservative government. It will tell you what it believes. The previous speaker said: "I believe the Mexican-Canadian-American free trade agreement is a good deal and we will go ahead in spite of this documented information and hopefully it will get better."

The party on my other side, the Liberal Party, moves around this country saying: "This is no good and we should not support this kind of trade agreement until conditions are laid down." This motion is the statement of the NDP and it is one you can count on. I am so critically disappointed with the Liberal Party for amending the motion before us to eliminate stopping the negotiation of a trade agreement with Mexico, that in fact it matches their other presentation. I am sure the speaker from the Conservative Party will agree because he watched, with me, in this House as the Liberal Party said: "We do not accept an attack or a war by Canada on Iraq", and then turned around and voted in absolutely the opposite direction.

The Liberal Party stands up and says that it supports choice on the abortion issue for women in Canada and yet turns around and half the party votes the other way.

We have a critical situation here today. The Prime Minister's statement was correct, absolutely correct and supportable. We are asking for some action. A reasonable action is to discontinue these negotiations until Mexico gives us a firm commitment that they will turn it around and then, by all means. What we get is a situation today where the Liberals back right away from that and take the opposite tack where they are prepared to

involve themselves without condition of human rights and without protection for Canada in—

I know they are upset—and I am sure the previous speaker would agree—but the absolute contradiction in their position is just untenable. The Liberals now come out in support of that Canada–U.S.–Mexico trade agreement in spite of its shortcomings and harm to Canada, in spite of the human rights violations in that country.

I would like to reiterate once again that the Prime Minister's statement on human rights is supportable. It needs action to confirm and give meaning to that statement. I admire the party of the previous speaker in that they stand up and at least say exactly what they mean. I think we say exactly what we mean, but I am just sorely disappointed that the Liberals will not give a solid indication to the Canadian people. They have turned around and basically supported the approach of the Conservative government and are saying another thing to the electorate.

Mr. Attewell: Madam Speaker, again we have just witnessed what has been referred to as the black and white policy of the NDP.

I was quite impressed with my colleague from Surrey—White Rock—South Langley who made two or three good points awhile ago, one of them being that the policy the Prime Minister talked about is not brand new. It has been going on for many years, indeed by the former Liberal government as well.

My colleague cited several very specific examples that our government certainly has been helping to monitor, where specific decisions were made to either cut off aid or reduce it and, in other cases, increase it. However, to think that we should turn our backs on a country like Mexico which under Salinas has very definitely made some progress and is moving in the right direction is wrong. There are so many examples around the world, as the hon. member knows, in these situations where improvement was achieved did not happen in a day or a month or a year.

• (1730)

I have been chairman of the Soviet Jury Committee for Canada for almost five years now. When I think back to my first trip to the Soviet Union in 1986, only 914 Jews were allowed to leave that year. The world, including countries like Canada, had been criticizing the Soviet Union, as you know, directly and through the United Nations.

Thanks to Mr. Gorbachev and his leadership there are tremendous changes. I am just highlighting one specific example, but starting in 1987–88, the number of Jews allowed to leave jumped to 18,000. No one knows what last year's figures are. We think it is 250,000 people. There are many movements. Sometimes there are as many leaving in one day as had previously been allowed to leave in a whole year.

It is now on the road to a freer type society. It has decades to go before we could compare it to Canada. I subscribe to an incremental theory that leadership of the country is honestly trying to move in a democratic way and honestly trying to improve the human rights situation to drastically reduce the violations.

I think it is going to be encouraged to do more things like that if we are supportive of them. We should not back off totally but give credit where credit is due on these improvements.

Mr. Ray Skelly (North Island—Powell River): Madam Speaker, I do not want to question what the hon. member says. We are all astounded and amazed by what has happened in this short period.

I would point out that the government under the Prime Minister in the G–7 meetings was unprepared to support the Soviet Union and said "it had a way to go even with aid to survive the winter". That is beginning to change because of the coup and other things, so it has moved forward.

I would point out that the Prime Minister was even unprepared at that point to give aid. Yet with what is a serious problem in Mexico, the Prime Minister is willing to integrate the economy of Canada with that country without any preconditions. I think the preconditions to negotiating an integration of our economy, with the result in changes in standards in this country and foregoing some of the sovereignty in this country, is a condition that makes profound commitments to the changes in human rights.

I certainly agree totally with what the previous speaker has said about the massive changes that have occurred. I would say that before we integrate with Mexico, it would be useful to get those commitments.

Mr. Attewell: Mr. Speaker, with all due respect, I think the hon. member is giving us a misleading comparison. The doubt that the Prime Minister and other leaders had about further aid to the Soviet Union at that time, in my understanding, had absolutely nothing to do with human rights.

We had just been party as many countries had to the CSCE, the human rights conference in Moscow. It was the first time ever, so I think he is linking two separate things together. It is perhaps a little misleading.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I am pleased to be able to address this very important issue today that was raised by the Canadian delegation at the recent Commonwealth Conference.

Let me first congratulate my members on the left who have met with some recent successes. Let me caution also that this debate—I will come back to it—shows what has been happening in the west of Canada.

It shows that the Canadian voters and the Canadian citizens are no longer happy with the *status quo*. They want their governments to start to act with some purpose. I suggest that what has been happening on the Canadian landscape which ties into this debate is that Canadians do not want to see the members of Parliament or the Government of Canada discuss issues like this.

They certainly want to see their elected members of government come up with some concrete productive ways to alleviate this terrible problem that confronts everyone on the world scene. Having talked about their successes, I also have some difficulty with their motion. "Linkage" seems to be the prevalent word. In our discussions we heard about linkage in the gulf war and linkage in other areas. What we see here in the motion that is before this House is a principle of linkage. That means that in this debate today we are discussing the principles of aid connected with those of human rights.

If we go further into the motion, we see that economic issues are tied with those affecting human rights in different countries in the world.

I think there was a quote made by the Prime Minister recently that Canadians will not subsidize repression and the stifling of democracies in the world.

I am going to come back to that if I can in my closing remarks. I am having a problem with the concept of linkage that is causing me some concern.

I am going to pose a question. Although I do not have the answer I hope that the members of this House will give it consideration and see what we are doing with respect to human rights in many countries in this world.

Let me say that in pressing for human rights to become a priority item on the agenda, the Canadian people can indeed be proud because they have certainly stood high among all nations in the world.

It is pleasant to be on this side of the House with the current government treading this path. I think we can find its germination in the path formerly laid down by a great Canadian, Lester B. Pearson, truly in the Liberal tradition.

It would be nice before the debate ends today if someone on the other side of the House would give that truly great Canadian the credit he deserves. I believe it was during his tenure as Prime Minister that we developed the Pearson image that made Canada a leader among nations of the world when it came to compassion, empathy and respect for those who were not quite as privileged as ourselves. To be imitated in this type of policy is the greatest form of flattery.

I would like to emphasize the high regard in which Canada is viewed by the developing countries and certainly this position must continue. Reforms such as those described at the Commonwealth Conference must not be shunted aside. The government must insist that flagrant violations of human rights not be rewarded by initiatives of trade and massive allotments of foreign aid by Canadians.

Democracies such as ours, the middle powers with no axes to grind have the opportunity and indeed the responsibility to provide a leading role in improving human rights around the world. We can do this in many ways. To this date Canada and all previous governments have done very well in regard to establishing Canada's reputation, not only as a peacekeeper in the world but as a benevolent and caring nation. But we must improve on that stance.

As an example, the decision of the present government to trade with China following the horrifying events in Tiananmen Square told the world that Canada would proceed with that regime as if nothing had happened.

We imported from China more than $1.2 billion in 1989 and that figure rose to $1.4 billion in 1990, an increase of over 18 per cent.

While this trade effort was being conducted, Amnesty International, an organization I think we all respect, said that at least 1,000 people were killed by security forces to suppress pro-democratic processes. Thousands more were beaten and tortured. Dozens of protesters have been sentenced to death after unfair trials and there were reports of secret executions. Persistent reports of torture and detainees in Tibet have also been obtained by Amnesty International.

• (1740)

I could go on and read descriptions of the very questionable human rights records of countries receiving bilateral aid from Canada. Bilateral aid simply means that money is given by this government or some of its agencies directly to other countries. The facilities we have available to us through the United Nations are not invoked.

Many of the countries which are the chief recipients of bilateral aid from Canada are indulging in human rights abuses of the most chilling sort.

Some of the most glaring examples of bilateral aid received by countries for the year 1989 are Bangladesh with almost $90 million in aid. We all know about the allegations of torture and criminal suspects in custody, of extrajudicial executions by incompetent villagers and government security forces. I have reiterated what happened in China at Tiananmen Square yet they were the recipients of almost $40 million in aid from Canada. I look at Jamaica receiving almost $30 million and you know the unrest that is in that country and the deprivation of its human rights. Pakistan, Indonesia and many others really deserve some scrutiny with respect to aid *vis-à-vis* human rights.

There is a question that has permeated my mind throughout the debate and it is a fundamental problem to which I really do not have the answer. I certainly would like to pose a question in the hope that as we go down this road we all start to give some consideration to a very important aspect.

We all know that regardless of the form of government, whether democratic, despotic, a benevolent or true dictatorship, all people in the world are controlled and every act of every government affects the people in that country and they do not have a great deal to say about it.

As an example I do not want to debate these issues here but we do know that the government of the day in Canada brought in the free trade agreement as soon as this House sat in 1988. This had a direct effect on almost everyone in this country. The free trade agreement whether it created jobs or lost jobs, had a definite effect on almost every Canadian particularly those in the manufacturing industry.

We will not say whether the imposition of the goods and services act was a good move —we on this side think it was not —but in any event we know that the actions of the government affected every person in this country with respect to a system of taxation.

If we go across to our friends in the United States we see that their involvement in the gulf war had a direct effect on every citizen in the United States with respect to how they conducted themselves.

What I am trying to point out is that every government by its actions affects on a day to day basis the people who live within that country who usually do not have a great deal to say about how or why it will affect their lives.

I think today of the people who live in underdeveloped countries and are denied human rights as I listen with intent to all of the very good debate within this House.

I think of the children of the world who really do not have any say—the children in Canada, children in the United States—in whether or how their country is going to be operated. They are at the whim of those that have control over them.

What are we doing when we link our economic aid? As I said at the outset, I am posing a question. What are we doing to these children when we link the economic aid with the human rights of their governments? The children in these under-developed areas do not have the

right to dictate or to be involved in the system of government, yet they are the recipients of its actions.

I am appalled, and I am sure we all are in this House, when we look at the children throughout the world on television in some of the African countries, Bangladesh, Ethiopia, and even in Bulgaria. We see children with distorted eyes, protruding eyes, distended stomachs, lacking the fundamental medical care that they need in order to even just sustain life. You cannot even say these children go to bed at night hungry because they most likely do not have a bed to go to.

What right do these young people have with respect to human rights and the linkage of aid. This is the question that I pose.

What I propose is something I would like this House to consider. We know that as we consider all of the problems that exist throughout the world, perhaps the worst problems are what is happening to the children of the world.

We know that poverty and debt are the enemies. We know our development policy should be designed to benefit these children. We know we should be assisting increased productivity, and we know we should be increasing the incomes of these people in order that they can provide for the necessities of life.

I would like to be the author of this thought, but I cannot take credit for it. I have been doing some reading. It really generates from the Parliamentary Secretary to the Prime Minister when he was speaking about what Canada could do with respect to feeding the world. The parliamentary secretary is a very successful farmer from Saskatchewan. He is a very knowledgeable person about agriculture. I discussed this with my colleague who was a former minister of agriculture and it seems that what we should be doing, rather than linking the problems that we face with aid and the rights of people within these countries, is designing a policy within our country that would alleviate the hunger of the children of the world.

When you look at Canada and try to find a national purpose for our country, it seems we lack a national purpose. What a great thrill and what a great challenge it would be if Canada truly becomes the bread basket of the world, and we take all of these children that are so deprived. Within this country we have great assets. We have three provinces, Alberta, Saskatchewan and Manitoba that can out-produce because of their technology, climate and the ability of its farmers to produce the best wheat in the world in great quantities., We have this facility within Canada.

We have unmatched facilities within this country to process this product, this grain, this food that we can grow in our western provinces. We have at our disposal without question through the port of Churchill, the port of Prince Rupert, the port of Vancouver, the port of Thunder Bay and the down river ports in Montreal the ability to ship this grain, this food, vital necessity of life to all countries in the world, those children of the world who are deprived of their fundamental human rights through no fault of their own. Canada has become the country that has taken on itself as its national purpose to be the bread basket of the world, feeding people in especially those areas that have no ability, no resources and no facilities to feed themselves.

• (1750)

How else could we extend human rights to every country in the world? How better would it be? What a feeling it would be of national purpose for Canadians to say: "We undertake this gigantic responsibility. We are going to do the very best we can".

I would suggest to you, Mr. Speaker, that it may be the most basic challenge for all Canadians at this particular period of time in our lives to take this responsibility and say: "We are going to reach farther than any country has ever reached in order to provide a solution to this problem that is not going to go away unless we ourselves attempt to do it and we start by little bits and pieces".

I am satisfied in my mind we will emerge as a country that is well respected, looked upon throughout this world as not only one that had the empathy and the care to take up this important challenge, but the foremost country in the world with respect to guarding the human rights of those who could not guard themselves.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I listened to my colleague, the hon. member for Thunder Bay—Nipigon, intently, I may say even hanging on every word because of his poignant reminder to us all about the bottom line here and that is people, the plight of

people all around this earth and particularly the children of this world and the difficulties that they are having.

I think it is very important as we near the end of this debate today that we not forget the victims of poverty, of disease, of oppression. I am very grateful to the member for bringing us around to considering those factors and considering the forgotten people of the earth.

Having said that, I know that the member has a very acute legal mind. I want to ask him to tune in that legal mind, if I may, by focusing on a problem that I have with the opposition motion put forward by our friend in the New Democratic Party, specifically using the word "linkage" which the hon. member began his speech with. I ask him to consider the terms of the motion and perhaps comment on the question that I pose.

The question is this: Does the hon. member find it logical that the opposition motion begins by taking note of the Prime Minister's comments that he is committed to the principle of linking government aid, and I stress government aid, to respect for human rights and says "and in light of documented violations of human rights in countries such as Mexico, China, Zaire", et cetera?

The motion reminds us of the Prime Minister's commitment to linking government aid to human rights and reminds us of certain alleged, in fact documented, violations of human rights in certain countries and then says: "We should stop negotiating with the countries of the United States and Mexico", not stop providing aid to Mexico, but stop negotiations with respect to an agreement that is not even in place. They are not saying: "Let's link government aid to human rights". They are saying "Let's link aid to negotiations", even speaking with another government, even discussing something with another government if there are documented instances of human rights violations. That is what they are saying. They are trying to bring in the free trade debate through the back door of human rights violations, on the backs of the very people who should be protected. I am wondering if my hon. friend considers this to be logical.

Mr. Comuzzi: Madam Speaker, I thank my hon. colleague from Scarborough for the question with respect to my comments on the motion.

At the outset, I think I complimented my colleagues with respect to some successes and then discussed with them the difficulty I have with the motion that is before the House today.

In answering my friend, I do not have any difficulty with the concept, nor do I have any difficulty with the intent of what we are trying to accomplish in this respect. My part of the debate contained aid and feeding the children of this world through the concept of human rights, but I had some difficulty technically with understanding what the motion meant.

I said at the outset that I had difficulty with the word "linkage". I could not see how we could equate linkage in human rights with linkage in economic aid, especially if we consider that the very people we are trying to assist in human rights may not have the opportunity to help themselves in the country in which they live. Let me explain that a little further. I am talking about the underprivileged. There are degrees of privilege and underprivilege. I am talking about the underprivileged people, the older, the elderly, the seniors, in deprived countries. I am talking about the children, those who cannot help themselves within the system of government in which they live. They are truly the underprivileged of an underprivileged class.

That is my concern. If we link the economic aid and the economic principles with helping those of the underprivileged in the underprivileged countries, what have we really done? What have we accomplished? We have just imposed more of a hardship on those who can no longer stand any more hardship.

I can appreciate the question and I am answering it to the best of my ability. I just have difficulty technically with understanding the motion that is before the House, particularly as it forms a linkage. Second, I don't know how we got from human rights to an economic issue like the free trade agreement. It does not make sense.

Mr. Ray Skelly (North Island—Powell River): Madam Speaker, "Police torture still routine", Amnesty says in Mexico in September. I certainly understand the previous speaker's sympathy and support with it. "Mexico—Torture with Impunity" is the title of a report. It talks about Mexico's federal judicial police kicking, beating, pushing into water tanks, shocking, burning with cigarettes, subject to mock execution, asphyxiating with plastic bags—and on and on and on—toe nails ripped out. It asks: "Who are these victims?" These victims are

political activists, people involved in land disputes, human rights activists, trade unionists, lawyers, and children, particularly homeless teenagers, children of poor urban families, young rural migrants from the Mexican interior. They tell of beatings, whippings, electric shocks, asphyxiations and sexual abuse.

It is not as if we were considering providing aid. We could provide aid, not bilateral aid to Mexico but we could provide it through the Red Cross and other agencies where it doesn't sanctify or in any way support that government.

What we are talking about the government doing here is involving Canada with an equal partner, somebody that we would want to partially integrate our economy with and take those kinds of chances. Quite frankly, by eliminating the phrase "that this House urge the government to discontinue immediately Canadian participation with Canada, the United States and Mexico in a free trade negotiation", you have really sanctified the kind of activities that are going on. The majority of Canadians oppose this government because they do not accept what it is doing. They tell the truth. They stand up and say what they are—

Madam Deputy Speaker: Unfortunately, the time for questions and comments has expired. Resuming debate.

Hon. John Bosley (Don Valley West): Madam Speaker, there are only two minutes left. I have here a long speech about CIDA and its practices. Unfortunately, today we have managed not to talk very much about the aid programs of CIDA and the government because of the nature of the motion.

My hon. colleague from Scarborough puts his finger correctly on the dilemma that one faces when confronted with this motion. Let me, therefore, simply put on the record a couple of concerns about the motion itself.

It is, in my view, a shame that we do not have enough foreign policy debates. It is also my view that we did not have the debate today we should have had about how you make linkages between aid and human rights policies stick. That ought to be a subject that concerns us here. I know the members of the subcommittee of the human rights committee of the external affairs committee care about that a lot and such members as the hon. member for Trinity and others have devoted quite a lot of time to that.

Let me therefore, since time is short, simply express my frustration with the motion this way. Before we entered into any conversations about the possibility of extending the free trade agreement to Mexico, there were long discussions within the standing committee about what we should be doing about trying to improve our aid programs, about trying to make sure the long-standing Canadian concerns about human rights linkages were brought into that debate. People talked at length about how to use NGOs more than government and people criticized, quite properly, because there were legitimate criticisms about the direction that aid policy was flowing at the time and people quite properly came to our committee to complain that maybe the government was cutting back too much.

One of the questions that was put to members of the committee at the time, well that was discussed in the committee—this is before we talked about Mexico as a trade policy—was criticisms by the New Democratic Party that one of the precise things we should be doing was increasing the amount of aid being given to Mexico through the NGOs. In other words, that was the policy of the members of the New Democratic Party before we had a trade discussion and I suggest to you, Madam Speaker, they have shown their real view today.

[*Translation*]

Madam Deputy Speaker: It being six o'clock, I wish to inform the House that the debate on the motion pursuant to Standing Order 81(7) is now over.

[*English*]

Before proceeding with Private Members' hour, I have this very short announcement that I would like to offer to the House.

On Friday, October 25, 1991 the House is scheduled to consider the second reading stage of Bill C-251, an act to amend the Department of Veterans Affairs Act.

The bill, which was introduced by the hon. member for Regina—Lumsden on June 19, 1991 proposes to include merchant seamen as war veterans, thereby entitling them to all benefits that are presently enjoyed by armed forces veterans.

[*Translation*]

The Chair has some difficulties with this proposal, from a procedural point of view, in that it seems to infringe upon the financial initiative of the Crown and to attempt to accomplish indirectly what the procedure precludes from doing directly regarding disbursements of public moneys.

[*English*]

As a courtesy to the hon. member for Regina—Lumsden, I am giving notice now that the Chair would appreciate receiving the benefit of comments from hon. members on Friday at the start of Private Members' Business as to the procedural acceptability of proceeding with such a bill.

Pursuant to Standing Order 30(7), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

ATOMIC ENERGY CONTROL ACT

MEASURE TO AMEND

The House resumed from Wednesday, October 2, 1991, consideration of the motion of Mr. Blaikie that Bill C-204, an act to amend the Atomic Energy Control Act (ending development and exportation of prescribed items and substances) be read the second time and referred to Legislative Committee D.

Madam Deputy Speaker: As we resume debate, the hon. member for Calgary Southwest has five minutes remaining.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, during the previous debate on C-204, I had given my full support for the nuclear energy industry within this country and I outlined some of the benefits to Canada. These benefits are needed for our security and diversity of energy supplies. Also, nuclear energy is very important for environmental protection and industrial development.

Many of the areas I outlined would be in *Hansard*, but I did not get a chance to speak with regard to the economics and the primary reason for the widespread adoption of nuclear power by major industrialized countries around the world and its ability to produce electricity at a lower cost. I know some people would argue this. If it is taken over a 30 to 40 year period, it is one of the reasons why major countries around the world are using an alternative energy such as the nuclear power.

Canada has a mixed picture and we are very fortunate to have different forms of energy to generate our electricity. We have oil, gas, coal, water and the nuclear area, as well as some of our renewable resources.

In Ontario and New Brunswick, nuclear power is economically preferred as the alternative whereas in some of the other regions such as Quebec and western Canada, we utilize more of the hydroelectric generation or fossil fuels.

As I mentioned earlier, AECL was created in 1952, and yes, there has been quite a bit of government appropriation to the company, but that sum includes costs of establishing and operating AECLs world class R and D laboratories, such as the one in Chalk River. It includes the cost and also interest of constructing, operating and subsequently decommissioning prototype power reactors in the heavy water plants.

These investments are substantially lower than those made in other countries. Canada has extremely good economic viability within the nuclear area.

I also want to say with regard to the disposal and repository for nuclear waste that an independent export group was formed in 1977 and carried out a study on the long-term disposal. It laid down the basis for the criteria for nuclear fuel and the waste management program. It has been the responsibility of AECL and Ontario together.

With regard to storage and transportation, Ontario Hydro looks after this responsibility for waste demobilization and the disposal concept comes under the control of Atomic Energy of Canada Limited.

All the Canadian nuclear power plants are setting aside a portion of the mill rate, in the area of 1 per cent, to cover the costs of spent fuel disposal, which will probably come many years from now.

Having been in Sweden, West Germany and France for some time studying the disposal of low and high level nuclear waste, there is a consensus being brought forward that the deep geological disposal on land is the best

means to permanently isolate high level radioactive waste.

Countries with established nuclear power programs are at various stages of developing their disposal systems. Switzerland and Sweden have already completed extensive tests. In Canada we hope that next year some recommendations will be brought forward. These recommendations will have political discussion, input and debate. Where and when any disposal is made with regard to a certain location would come forth after political participation.

• (1810)

In conclusion, I just want to give my unequivocal support to the nuclear energy industry within Canada. We are not discussing nuclear weapons. We are discussing nuclear energy for the generation of electric power in Canada. It is an important investment for our country and I am just pleased that I had the opportunity to speak against Bill C-204.

Mr. Ross Harvey (Edmonton East): Madam Speaker, let me begin by congratulating the member for Winnipeg Transcona on his recent appointment on top of his other responsibilities as the New Democrat's nuclear energy critic. I know he brings to this position extensive knowledge, keen interest and a solid commitment which has already resulted in the introduction of the laudable bill we are discussing here today.

This bill, an act to amend the Atomic Energy Control Act, seeks to end the development and export of nuclear substances, nuclear reactors and certain equipment and materials required to build nuclear reactors, starting on January 1, 1992 and lasting until December 31, 2041.

In the short time available today, the exceedingly short time available, I can only focus on one of the many reasons for supporting this bill to phase out nuclear energy in Canada. Madam Speaker, simply put, nuclear power is an economic failure. Canada cannot afford to keep pouring money down nuclear sinkholes, and what a lot of sinkholes there are.

For starters, nuclear power plants are extraordinarily expensive to build. Ontario's nuclear facility at Darlington, for example, was originally projected to cost under $4 billion. By last December, that projected cost had soared to $12.9 billion and, in February, 1991 that figure stood at a whopping $13.3 billion. That is a lot of money by any standard.

It also cost a lot to protect workers' health and safety at all stages of production, starting right back at the mining of the uranium ore. Nuclear proponents cavil at these safety costs. The Canadian Nuclear Association in its October 9, 1991 statement to the Standing Committee on Energy, Mines and Resources claimed that new, stricter radiation exposure limits proposed for uranium mines could, and I quote, "render underground uranium mining unviable."

Since these new safety standards reflect current scientific consensus about the risks of radiation exposure workers could, I suppose, be excused for worrying that the CNA is taking the insupportable position that the industry can only remain viable if workers are put in danger.

As for other mining costs, one need only go to Elliot Lake to see that it also costs a lot to clean up after uranium mining operations.

Nuclear reactors themselves cost more than expected to operate, and this costs consumers money directly on their power bills. Double digit rate increases are expected in Ontario for the next two years.

Canada's nuclear reactors have not lived up to promises about their efficiency. Many suffer maddening complications from so-called premature aging, ranging from damaged fuel bundles to burst pressure tubes. Recent evidence suggests that Ontario Hydro predictions that its nuclear plants will average 75 per cent efficiency in the next decade are overly optimistic. In 1989, hydro's reactors ran at only 72 per cent efficiency and in 1990 these reactors produced a dismal 62 per cent of the power they would have produced if they had run all year at full efficiency.

As Ontario Hydro chairman Mark Ellison stated, and I quote from the July 29, 1991 *Financial Post* "Our nuclear system is not operating the way it was supposed to operate." Sad, is it not, Madam Speaker, but unfortunately and expensively, true.

What then about accidents? Well, nuclear accidents do occur and when they occur they are catastrophic. No one can forget the Three Mile Island accident in 1979 and the devastating explosion at Chernobyl in 1986. Recently some Soviet scientists claimed that initially the extent of the devastation around Chernobyl was seriously under-

estimated. The most senior scientist at the Chernobyl station and the scientific director in charge of the 30 kilometre exclusion zone said in April, 1991 that the explosion killed up to 10,000 people.

He added that the government is currently providing medical care to an additional 300,000 people and that the Soviet Union has already spent nearly $20 billion trying to clean up after the accident.

Prominent Soviet scientist Yuri Koryakin estimated in the October 1990 issue of the U.S.S.R. Academy of Science publication *Energy* that the financial cost of the Chernobyl accident to his country alone could be over $400 billion by the year 2000. That is unforgiving, expensive technology.

Many CANDU proponents protest that such an accident could never happen here, but note: Just in case, the industry has protected itself from financial liability. In 1970, at the insistence of the industry, the federal government set a $75 million ceiling on the damage reactor operators would have to pay in the event of a serious nuclear accident.

Even if that operator were negligent, the irony is inescapable. Nuclear proponents loudly proclaim that nuclear power is safe, knowing full well that in the event of a serious accident, thanks to the federal government and the Canadian taxpayer, the nuclear industry is virtually off the hook.

As for the long-term disposal of nuclear wastes, no one knows how much that will cost because it has never been done. We do know that simply conducting research on how to manage these wastes has been expensive. In a speech to the conference of the Canadian Energy Research Institute given on behalf of energy minister Jake Epp on June 4, 1990, Conservative member of Parliament, Marie Gibeau, estimated that in the past decade alone, government funded Atomic Energy of Canada Limited has spent $400 million. That is $40 million a year on research into long-term disposal of radioactive fuel waste.

The campaign for nuclear phase-out hit the nail on the head in a recent leaflet stating: "The cost of nuclear waste disposal, including disposal of defunct reactors themselves, are among the least certain and potentially largest of all nuclear costs". The leaflet added: "No full size nuclear reactor anywhere in the world has yet been fully decommissioned".

Energy minister Jake Epp admitted in his September 1990 letter to my colleague, New Democratic environment critic, Jim Fulton, that: "Estimates of decommissioning costs of nuclear reactors vary widely", adding that the nine-mile point unit 1 reactor would cost: "about $100 million in 1990 dollars" to decommission.

I might be wrong, but I suspect Mr. Epp would come up with $100 million tomorrow for anyone who would guarantee the safe disposal of that reactor. Where does all this money come from, Madam Speaker? From Canadian taxpayers.

According to the April 1991 corporate plan and budget summary for Atomic Energy of Canada limited, the federal government has invested $4.5 billion in nuclear energy research and development over the past 40 years. That amounts to $110 million every year for 40 years.

The same AECL report reveals that more than half of the $303 million in expenditures in nuclear research and development planned by AECL for 1991-92 will be provided directly through parliamentary appropriation.

In 1995-96 alone, Canadian taxpayers are expected to fork over $197 million to AECL. Energy minister Jake Epp continues to champion a so-called market based energy economy even though after 40 years of generous government support, the nuclear industry still relies on tax dollars to stay afloat.

The government clearly has a responsibility to help create jobs and to spur the development of more environmentally benign energy sources in Canada. Unfortunately, the government grants large sums of money to nuclear and traditional fossil fuel sources, thereby stacking the financial deck against new cleaner options while slashing funding for these alternatives. The government then adds insult to injury by complaining that these alternatives cannot compete in the marketplace. In fact, since 1984 this government has cut its funding for energy alternatives and conservation by over 90 per cent. As a result the federal government will spend a mere $37 million this year on energy conservation and on wind, biomass, solar, all sources of alternate energy put together. That is less than the $38 million the government will

give the Atomic Energy Control Board just to regulate the nuclear industry.

• (1820)

It is hardly surprising that many countries have decided to stop throwing money at their nuclear industries. The recent experience in Britain offers one very graphic measure of the industry's financial status. In its misguided zeal to privatize its state electric utility, the Thatcher government discovered to its chagrin that it simply could not sell its nuclear plants. Private investors judged them to be uneconomic.

As the *London Observer* said in an editorial on November 12, 1989: "Privatization has proved that nuclear power is hopelessly uneconomic and saddled with decommissioning costs that no private company could accept without huge guarantees from the government".

The paper added a number of intriguing comments. Let me close with a quote from *The Economist*, a Conservative magazine, August 31, 1991: "It is hard not to believe that if the cash thrown at nuclear power had been put into almost any other technology, even hamster-powered fly-wheels, it would eventually have produced something commercially viable".

It is time we stopped pouring money down the nuclear sink hole.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, I wonder whether the hon. member for Winnipeg Transcona has any idea of the impact this bill could have on Canadians' health. Does he know how devastating it could be for thousands of Canadians who receive treatment involving diagnostic techniques or therapies that use radio-isotopes?

What role does nuclear energy play in medicine? Madam Speaker, the hon. member for Winnipeg Transcona could tell me that, technically speaking, most radio-isotopes are not prescribed substances. Therefore they are not affected by this bill under which the Atomic Energy Control Board could not issue new licences for the possession of prescribed substances, which would exclude most radio-isotopes used in medicine.

Let me show how such a statement lacks objectivity. Under the Atomic Energy Control Act, "prescribed substances" designates uranium, thorium, plutonium, neptunium, deuterium, their derivatives and compounds, and other substances that the Commission can by regulation classify as sources of atomic energy or consider necessary for the production, application and use of atomic energy.

Most radio-isotopes used in the health field do not fit this category. You may wonder what role nuclear energy plays in medicine, Madam Speaker. The fact is that it takes nuclear reactors to produce many radio-isotopes; these are the same reactors that the hon. member for Winnipeg Transcona would take out of service over the next 50 years under his bill. For those requiring treatment, Madam Speaker, 50 years might as well be forever.

Cobalt-60, for example, is an artificial, man-made isotope. It is obtained by replacing stainless steel bars in a CANDU reactor with cobalt-59 bars. Irradiated in the reactor for about a year, these bars absorb neutrons and are changed into cobalt-60. Cobalt-60 is then taken out of the reactor for various medical purposes, in particular radiation therapy equipment and irradiation sterilizers.

Madam Speaker, we shall see the applications of radio-isotopes in medicine.

It is a pity that the public is seldom interested in the beneficial effects of radiation. Nevertheless, use of this technology for therapy, diagnosis and research is very widespread these days. Much use is made of irradiation to improve the quality of products and safety in various industries.

When radio-isotopes are administered in fairly small quantities to a patient for diagnostic purposes, it is possible to measure the concentration of this radioactive substance and to monitor its distribution with special detectors. Medical products that use radiation help to diagnose and treat various illnesses, especially cancer.

In fact, cancer can be detected in its early stages by bringing a sample of blood into contact with a radioactive chemical that reveals the presence and size of tumour markers, or substances that indicate the presence of cancer cells. Radiation can efficiently destroy such cells.

Irradiation techniques are also used to sterilize surgical or medical equipment, as well as blood for transfusion to patients whose immune system is very weak, especially the newborn.

Radiation can be used to study diseases and the internal workings of the body, to preserve food, to control food-borne illnesses and to disinfect waste, in particular municipal sewage and medical waste.

Let us now look at Canada's abilities in nuclear medicine. At the present time, Madam Speaker, the world's largest supplier of cobalt-60, the radio-isotope most used as a source of energy for commercial irradiation or cancer treatment, is Nordion International Inc., a Canadian company.

Most of the cobalt-60 sold by Nordion is in fact produced by Ontario Hydro under contract in CANDU nuclear reactors. Nordion is also the main supplier of other types of radio-isotopes made in reactors; these radio-isotopes are used throughout the world, especially for diagnostic purposes.

Canadian industry is in the forefront of research in nuclear medicine and has greatly contributed to improving the health of all the world's people. Madam Speaker, every year, more than 500,000 patients in over 80 countries receive treatments based on nuclear technology developed in Canada. Thanks to radiotherapy, millions of lives have been prolonged around the world.

The Canadian cobalt 60 therapy unit is used world-wide. Over 1,400 units have been installed abroad, which represents over 75 per cent of the market. In Canada alone, Madam Speaker, physicians make over 12 million diagnostics yearly using radioisotopes produced in this country. It is estimated that this figure exceeds 300 million world-wide. I would also like to talk about other health-related uses of radioisotopes.

That being said, Madam Speaker, I might add that radioisotopes have other than medical health-related applications as well. For instance, nuclear research has resulted in the development of new high-yield species of plants with greater disease resistance. Other agricultural applications include measuring of the soil moisture content in various regions to evaluate its capacity to meet water needs of specific crops.

Radioisotopes allow us to see how crops absorb nutrients and therefore to improve fertilizers. Finally, radioisotopes are used to monitor the flow of contaminated waterways and make sure that drinking water intakes are safe.

• (1830)

Irradiation can also be used to reduce or eliminate infestations of insects that are harmful to cultures, animals and human beings. A lot of male insects are sterilized by exposing them to radiations. Once let loose, these insects mate with females, but they cannot reproduce themselves. That technique enables us to eliminate harmful species over a period of a few seasons, in a more ordinate fashion that is also less harmful to the environment.

One must not forget the food irradiation sector. As we all know, the food we eat could be infected with bacteria and could therefore be spoiled and make us sick. In extreme cases, this could even lead to death. For these reasons, the scientists in the government and the food processing industry work relentlessly to find appropriate techniques to preserve food stocks without diminishing the nutritional value. It is now believed that irradiation techniques will enable us to better preserve food, while at the same time reducing the number of diseases linked to its consumption. Therefore, the food preservation sector could play a very important role, in Canada as well as in Third World countries. Madam Speaker, all these new applications are essential to maintaining the quality of food stocks for Canadians as well as for the populations of other countries.

One of the numerous advantages of nuclear energy lies in the fact that nuclear reactions do not produce any combustion residue that could pollute our environment and undermine our health. Madam Speaker, by going nuclear, Hydro Ontario has, in only the last 20 years, avoided the release in the atmosphere of over 7 million tons of acid gases, half a billion ton of carbon dioxide and 12 tons of ashes. Be that as it may, the present government has clearly demonstrated that it promotes the development of hydro-production techniques using renewable energies, namely solar energy, wind power or tidal dower. Unfortunately, these forms of energy will not enable—

Madam Deputy Speaker: I am sorry to interrupt the hon. member, but her time is up.

[*English*]

On a point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, I think it is unfortunate that in Private Members' Business we continue to get from government backbenchers these speeches that are prepared by the Department of Energy or some other hack in Atomic Energy of Canada.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, the time limitation does not permit us to deal specifically with the response the member for Louis-Hébert made in her intervention. She certainly spoke the language of the nuclear industry. She delivered the well-known themes that have been over the years presented to us by the proponents of nuclear industry.

Her scientific basis is very shaky. As I said, it is unfortunate that we cannot deal point by point with the points she has elaborated, as if they were final, scientifically proven and correct.

The debate today is on ending the development and exportation of prescribed items and substances that come under the Atomic Energy Control Act.

It is an important thought that the member for Winnipeg Transcona has put on paper. It is something for which he ought to be congratulated because it makes a very important contribution not only to the knowledge of this House but also in raising the awareness about the fact that in this country we do not really have an energy strategy that looks at the short, the medium and the long-term.

Therefore, the member for Winnipeg Transcona ought to be congratulated and supported. I would ask colleagues who have spoken against this bill or intend to speak against this bill not to be afraid of sending this bill to committee for a very thorough analysis and examination.

Inevitably it will raise issues that are much broader than the question of bringing to a halt the development and exportation of certain prescribed items. Obviously the member for Winnipeg Transcona had a broader thought in mind and I think he is achieving that objective.

We have in the last hours actually launched in this Chamber something that this government has unfortunately failed to do, namely a debate on a national energy strategy. This is what we are actually doing. By voting or speaking against this bill we are really saying that Canada does not need a national energy strategy, that we should just ignore it and sweep it under the carpet and hope for the best. For that reason alone, were it only for that reason, we ought to support this bill and vigorously so.

It is ironic also that two months after the member for Winnipeg Transcona tabled his bill, the minister of energy and the Minister for International Trade would announce a loan of up to $315 million to Romania for the construction of the Cernavoda power station almost as if to provoke feelings in this field.

Without going again, because of time limitation, into the merits, I think it would have been more honest and more appropriate to describe this $315 million not as a loan but as an outright grant considering the economic difficulties that Romania is likely to encounter for a long time before being able even to look at debts with Canada.

Let me make the point that what we have here today is in a mini form, an integrated debate on the economy and the ecology, an integrated debate actually that brings the economy, the ecology and the energy all into focus. It should actually not be a debate in which we become polarized between two opposed factions, the enlightened on the one hand and the regressive on the other, and not knowing exactly who is where, but a debate that really brings together as a mainstream concern the public interest.

What is the public interest? It is really to address the question of the urgent necessity of discussing a long-term, medium-term and short-term energy policy. This is what the member for Winnipeg Transcona has achieved.

Therefore, for this reason it will be good to have a study of this bill in committee, I submit, and it would be a pity to be afraid of having this kind of study in committee. The difficulty that we face, and this has already been demonstrated by a number of interventions, is that the fate of nuclear power is being discussed in a policy vacuum. Since there is no national energy strategy for the next five years or longer we cannot really do it.

Imagine, even the champion of deregulation, namely the United States of America, has a national energy strategy that was determined after extensive public consultations. We do not.

This debate has to take place against the background of one major concern and that is the necessity of developing integrated policies that would aim at the reduction of the global climate threats which are the object of scientific elaborations in recent years. I would like to refer to the existence of a very impeccable source, a publication entitled "Energy for a Habitable World" which is published by the Interaction Council. This council is composed of former prime ministers and heads of states and can only be accused of having one vested interest and that is the best future for the world.

I am glad to report that the former Prime Minister of Canada, Pierre Elliot Trudeau, is a member of the Interaction Council. A national energy strategy would of course consist of several elements. Very briefly, it would deal with the fact, as a premise, that the global climate change is a reality and would therefore aim at developing policies to reduce carbon dioxide emissions by 20 per cent by the year 2005 as already discussed and concurred in Toronto at the Climate Conference of 1988.

• (1840)

Second, it would have a serious commitment at least for a long-term 50 per cent reduction by the year 2025. Certainly it would have a strategy that would end in the short-term to conservation and increases in the efficiency of energy users, namely on the demand side, and conservation and increases in the efficiency of production, namely on the supply side.

In the medium-term you would want to have a shift in the fossil fuel mix from coal and oil to natural gas, taking advantage of their different carbon contents and their impact of course on CO_2 emissions.

In the long term, Madam Speaker, you would want to see and I am sure we are heading in that direction a very powerful and important promotion and aggressive introduction of renewable sources of energy, renewable because they are the ones that are going to serve the purposes of humanity in the long term and that would be required on a large scale.

To do that of course we will need to make very early, now, at this stage, in this decade, a massive shift in our resources and in our research funds.

The strategy in these very sketchy aspects would have to be complemented by other initiatives. For instance you would have to bring back into the National Research Council the energy division which has been systematically dismantled since 1984 and give this division a task that would be commensurate to this particular challenge.

Finally, it is important that we also as a nation give leadership internationally to the development of certain agreements that are required for the control of emissions of all greenhouse gases and agree with other nations on a concerted action.

I would conclude by saying also that this debate allows us to raise the importance of harmonizing environmental objectives and concern with energy promises. Here you have an example where all of us I am sure have made speeches on sustainable development and have here an opportunity to practice what they have preached in their respective ridings, cities and the like.

Mr. Pat Sobeski (Cambridge): Madam Speaker, it is my pleasure to take part in this debate on the consequences of Bill C-204 on Canada's participation in the NPT and safeguards program.

This proposed amendment to the Atomic Energy Control Act would throw into jeopardy the long years of determined efforts and accomplishments that have established Canada as one of the world's leaders in the field of nuclear non-proliferation.

It is quite clear that Canada's international stature on this matter was achieved by our participation in a domestic nuclear power program which included the full infrastructure that is required to support the construction and operation of Candu nuclear power stations in three Canadian provinces.

Canada is the world leader in the production and export of uranium and, as a result, has been a major factor in determining the operating principles of trade in this commodity. Canada has also engaged in the export of nuclear reactors and has learned by experience of the hazards that may result from inadequate controls.

This bill would immediately curtail any further activity in these sectors and would certainly have a drastic neutralizing effect on our continued participation in the non-proliferation theatre. The reputation that Canada has attained by its steadfast and expert participation in the world's nuclear community would be thrown to the winds by this arbitrary and irresponsible severance from the continued development of nuclear power. It would preclude any meaningful international influence over the course to be followed in the peaceful application of nuclear power and its attendant immeasurable benefits to mankind.

I should like to draw to the attention of the members the great achievements in leadership that Canada has demonstrated in the field of nuclear non-proliferation, all of which would be put at a high risk by any ill-conceived, whimsical action such as this.

Canada's non-proliferation and safeguards policy has two objectives: (1) to promote the emergence of a more effective and comprehensive international non-proliferation regime; and, (2) to assure Canadians and the international community that our nuclear exports will not be used for any nuclear explosive purpose.

Canada's policy promotes attainment of the first objective by emphasizing the key role of the NPT, which is the Nuclear Non-Proliferation Treaty. Second, by promoting reliance upon and improvements in the international Atomic Energy Agency safeguards system, by treating nuclear weapons and non-nuclear weapon states alike regarding Canadian nuclear exports and, finally, by working for new approaches covering the sensitive phases of the nuclear fuel cycle.

The second objective is served through the network of bilateral nuclear agreements that Canada has put into place with its nuclear partners. Those agreements provide assurance that Canada's nuclear exports are used solely for legitimate, peaceful nuclear energy production purposes.

At the same time, Canada, having formulated its non-proliferation and safeguard policy during the years after the Second World War until 1980, has recognized that it has gone as far as it can on its own in this field and that from this point on any further changes should be made on the basis of international agreement.

The Canadian objective is to persuade the international community to devise a more effective and comprehensive international non-proliferation regime in which Canada and other suppliers might subsume their national requirements.

Whatever else, the second half of the 20th century will come to be symbolized by the unlocking of power in the atom, which will be seen as one of the half dozen or so most significant developments. This power was first demonstrated close to the mid point of the century. There is no turning back the clock.

It is common knowledge that energy can be released from splitting atoms both suddenly in an explosion and gradually in a nuclear reactor that has mechanisms controlling the rate of the chain reaction.

The question that has preoccupied many governments and many individuals since nuclear energy was first shown to be viable is how to harness the energy in the atom while preventing the proliferation of nuclear weapons.

A great deal has been written about nuclear proliferation and nuclear non-proliferation since the first detonation of a nuclear explosive device in 1945. The high point in the history of non-proliferation is, of course, the Treaty on Non-Proliferation of Nuclear Weapons which was written in 1968 to 1970. The establishment of the International Atomic Energy Agency in 1957 is also highly significant, especially since it is that international body that is responsible for onsite inspection and safeguard measures that assist the member states of the agency to demonstrate that no nuclear material is diverted to non-peaceful purposes from safeguarded nuclear facilities.

Besides these international efforts, many countries that supplied nuclear related materials have developed national policies of their own which apply to the export of such nuclear items.

The essential determinant of a proliferation is the degree of political incentive or disincentive which countries face. Thus, while diversion of nuclear items from the civilian nuclear fuel cycle is one possible technical route to the development of nuclear explosive devices, it is not the only nor the most efficient route.

A political decision to proliferate would be better served by installing facilities dedicated solely to that objective. Controls on the diversion of nuclear items from civilian facilities are necessary but it is clear that if a country has sufficient political incentive, such controls by

themselves would not stop that country. Any industrialized country and many developing countries could develop a nuclear explosive capability if they so decided. A general political commitment by a country not to proliferate is therefore as important as the specific controls that prevent diversion.

• (1850)

Canada was one of three states that participated in the November 1945 agreed declaration on atomic energy. Throughout the years that followed Canada has played an active and significant role in efforts to define an international regime which would serve the twin principles set forth in the declaration. Canada participated both in the drafting of the International Atomic Energy Agency statute between April of 1955 and October of 1956 and in the preparatory commission appointed to make arrangements for the first sessions of the International Atomic Energy Agency's general conference and of its board of governors.

Canada has had continuous representation on the board of governors since the founding of the IAEA and has strongly supported the agency's efforts on nuclear safeguards. Canadian representatives were also involved in the negotiations of the treaty on the Non-Proliferation of Nuclear Weapons.

Canada's uranium exports from 1945 until 1974 were carried out under a nuclear co-operation agreement which made the export subject to peaceful uses commitment and to acceptance by the importing country of bilateral verification measures by Canada, or increasingly through the International Atomic Energy Agency safeguards that they had put in place.

From 1945 through until 1965, Canada also exported uranium to the United States and to the United Kingdom for use in their nuclear weapons program. These export sales were carried out as part of Canada's defence relations with those two countries. That policy was ended in June, 1965 when former Prime Minister Pearson announced in the House of Commons that "as one part of its policy to promote the use of Canadian uranium for peaceful purposes, the government has decided that export permits will be granted or commitments to issue export permits will be given with respect to the sale of uranium covered by contracts entered into from now on, but only if the uranium is to be used for peaceful purposes. Before such sales to any destination are authorized, the Government of Canada will require an agreement with the government of the importing country to ensure with appropriate verification and control that uranium is to be used for peaceful purposes only".

So with the announcement of this policy all Canadian uranium exports became subject to the "peaceful uses" provision.

I can see that the Speaker is indicating that my time is almost up. I would conclude by saying that in the riding of Cambridge the firm of Babcock and Wilcox has been quite active in this particular industry and I know that the company and the workers at that particular company and the community of Cambridge would certainly want me to stand here today and oppose this legislation.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, I rise in support of this very worthy bill. I want to first commend the member for Winnipeg Transcona for bringing the bill forward.

I would like to associate myself with the remarks made by the distinguished member for Davenport who spoke earlier. Had there been more time available tonight, we would have had another contribution in support of the bill namely from the member for Broadview—Greenwood who would like to see the bill go to second reading so that we could have a thorough examination of the nuclear industry.

Mr. Blaikie: How about Winnipeg North?

Mr. Harvard: Yes, and I could say that the member for Winnipeg North also supports the bill.

This is an important debate for this is a very major issue and this is the place, the Parliament of Canada, where major issues of this kind should be debated.

I joined the debate for many reasons, one of which is out of respect for the many concerned citizens. The people who support a bill like this and who are concerned about the nuclear industry are not odd-balls. These are good people and responsible people. They have studied the issue very thoroughly. Their questions are pertinent and their concerns are valid.

At last count, about 170 organizations support nuclear phase-out. In my province there are six well-known organizations: the Concerned Citizens' Committee of Manitoba, Manitoba Uranium Action Coalition, Project Peacemakers, Veterans Against Nuclear Arms, Winnipeg Co-Ordinating Committee for Disarmament, and World Federalists, the Winnipeg chapter.

The words in the bill are quite sweeping. They call for a nuclear-free Canada, the cessation of all nuclear development and the phase-out of existing nuclear facilities at the end of their current life.

I would suggest that let us not focus entirely on the wording of the bill. Let us focus on the necessity of having a debate and a thorough examination of the nuclear industry in Canada. That is what I want from this particular exercise in Parliament.

To hear opponents of the bill tell it, any debate of this kind will bring the nuclear industry crashing down. Moreover, they would like us to believe that speaking in favour of a bill like this is akin to something unpatriotic. I say we should get serious because there is nothing further from the truth.

The nuclear industry is a huge industry in this country with thousands of employees. It has friends in very high places, starting with the federal government in Ottawa. It is anything but feeble and it can take care of itself. Let us have a debate because there is concern and that concern is growing.

In the 10 years ending in 1988 support for nuclear expansion dropped from 46 per cent of Canadians to only 16 per cent. A similar poll carried out by Decima in 1989 came up with a similar finding.

You might ask yourself the question: Is nuclear phase-out something far-fetched? I do not think it is. For example, there has been no new nuclear reactor in North America in the past 10 years. After Chernobyl, the Philippines closed its only plant. Several European countries—Sweden, Austria and Italy—have agreed to a nuclear phase-out and three plants have closed in Britain. Nuclear phase-out is something that is not far-fetched.

Relating to other concerns, things can go and have gone wrong with nuclear power plants around the world. We all know about Chernobyl in the Soviet Union. There, thousands of people died in the immediate area around the plant which was transformed for a long, long time; perhaps forever.

We all remember Three Mile Island right on this North American continent. We thank God that there has not been something even worse than Chernobyl. We always think about a horrible, horrible meltdown, something that does not happen. Let us hope it never does.

Nothing as serious as Chernobyl or Three Mile Island has occurred in Canada. Our Candu reactor has according to world standards a pretty good record so far, but it is not perfect. There was a rupture of a pressure tube at Pickering, Ontario about eight years ago, in 1983.

The fear of accidents is one thing, but there are other concerns as well. There is radioactive pollution. Some countries, not Canada, have reduced permissible levels of radiation exposure for both workers and the general public. Nuclear power is dirty. It is dirty. The problems relating to waste, how to get rid of bad waste, are nightmarish.

Let me point out that over 17,000 tonnes of nuclear fuel bundles are currently in storage at reactor sites in New Brunswick, Quebec and Ontario, 17,000 tonnes of nuclear fuel bundles.

Radioactive substances from nuclear reactors are among the most toxic materials known to mankind. Spent nuclear fuel cannot be handled by human hands. It remains toxic for hundreds of thousands of years.

These are real problems and we cannot wish them away. That is why I believe that a thorough examination by this House would be very much in order.

While we are at it, we could look at the whole question of economics as it relates to the nuclear industry. The question of economics has been touched on in previous speeches, but just let me raise the question.

Are taxpayers getting a good return on their dollars which have been sunk into the nuclear industry? Billions of dollars have been sunk by the public into the nuclear industry.

I think a review is in order. It has been promised in the past. It was promised, I believe, by a former Prime Minister in 1979. It was again promised in about 1984 and it was promised somewhat later, in the late 1980s. Those promises have not materialized in any review of the nuclear industry.

I say we should take this bill and send it to committee. Let us have a thorough review and let us address the concerns of very concerned Canadians.

[*Translation*]

Madam Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, this item is dropped to the bottom of the order of precedence on the Order Paper.

It being seven o'clock, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.58 p.m.

HOUSE OF COMMONS

Wednesday, October 23, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S.O. 31

[*English*]

IMMIGRATION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, yesterday I was talking about the two major errors contained in the statement of the minister of immigration of October 4, 1991 regarding the refugee backlog clearance program.

The second error is that the backlog will not be completed within its original budget. The original budget as announced by the former minister when the program began was $100 million. Now it is $179 million and the minister pretends it is within budget.

The program for clearing the backlog is nothing more than smoke and mirrors. It is a cross between amnesty and administrative review pretending to be a program to ferret out bogus refugees. The program is neither on time nor on budget.

Refugee claimants whose lives have been on hold for as long as four years are now being told by this minister that they will have to wait an additional 15 months. Despite this, the minister said: "The program is meeting its objective to clear these claims in a fair and humanitarian manner".

Mr. Speaker, there is nothing fair or humanitarian about waiting up to five years to have one's claim heard.

* * *

[*Translation*]

DONOHUE MATANE

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, for some time now, and especially during Small Business Week, workers at Donohue Matane and their socio-economic partners in the Gaspé have been vigorously pursuing efforts to start operations again at their ultra modern plant and obtain the paper machine they need to upgrade the value of their natural resources.

Mr. Speaker, I spoke personally to the Prime Minister, and I know he is giving this matter special attention.

I therefore wish to take this opportunity to again invite the Prime Minister and the Minister for International Trade to continue their efforts to find a potential investor who will help meet the expectations of workers at the Matane pulp mill.

Mr. Prime Minister, the people of the Gaspé are counting on your support.

* * *

[*English*]

DEPO-PROVERA

Mr. Jim Karpoff (Surrey North): Mr. Speaker, we are once again seeing the attempt to misuse the cancer-treating drug depo-provera as a contraceptive.

The chief of the Baffin Regional Health Board in the Northwest Territories is quoted today as saying that depo-provera is being offered to northern Inuit women as a contraceptive despite having never been approved by the federal government for such use.

Indeed, the drug has been subject to an intense campaign by Canadian women and health groups to ensure that it is not used as a contraceptive because of well documented concerns about breast cancer, foetal abnormalities, and more than 20 side effects.

To his credit the former minister of health, Jake Epp, disallowed the use of the drug as a contraceptive because of concerns about the long-term safety of women. I call upon the current minister of health to review the drug approval process so that legal drugs cannot be misused and so that these Inuit women are not put at risk.

[*Translation*]

JUDO CLUB OF BOIS-DES-FILION

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, today I wish to pay tribute to the remarkable performance of nine members of the Judo Club of Bois-des-Filion, a municipality in my riding. Several days ago, they won seven medals, including two gold, at the International Judo Championship in Newark, New Jersey.

Both athletes and trainers have shown that with hard work and determination, and despite limited financial means, they were able to achieve the highest levels of excellence.

These young people are worthy representatives of the riding of Terrebonne, the town of Bois-des-Filion and this country, and we are all very proud of them. I urge them to keep up the good work, and I can assure them that we are all very proud of their performance and their success.

Once again, three cheers and congratulations! We are all very proud of you.

* * *

[*English*]

CANADA POST

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have received a petition signed by over 1,400 constituents concerning government initiatives to close or cut services at the postal outlets at Drake Pharmacy in Windsor Park in my constituency.

These cuts and closures have also been imposed on other facilities, for example, McCulluogh Drugs, Marion Grocery, and Metro Drugs. Over the years staff in the post offices in St. Boniface and Norwood have been reduced as well.

These cuts and closings are all in addition to the annoyance they have suffered with supermailboxes, astronomical increases in postal rates, including the GST on stamps and other services, inadequate postal service for certain regions of the constituency, for example River Park South and St. Vital.

This government is inconveniencing and really putting out all constituents, particularly business people, seniors, and handicapped residents.

When will this government have a fair, comprehensive and accessible postal service for all Canadians?

* * *

[*Translation*]

CO-OPERATIVE ASSEMBLY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, 180 residents in the Abitibi area will meet at the Château d'Amos on November 1 and 2 to identify mechanisms that apply the co-operative principle and are most likely to meet the needs of the community. They will do so within the framework of a regional seminar held by the co-operative assembly.

• (1410)

The general theme of this assembly will be how to achieve quality development together. Regional members of the co-operative movement and their socio-economic partners will have discussions on two of three subjects on the agenda: community development using the co-operative formula; co-operative education; and inter-co-operation.

According to Mr. Ferland Miron, president of the Seminar's Organizing Committee and director of the *Serres coopératives de Guyenne*, it was and is up to co-operators and their partners to work together to achieve quality development, because it is undeniably true that co-operatives can increase their contribution to the region's economic development and, by using their formula, promote development of individual potential.

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[*English*]

ELIJAH SMITH

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I rise today to pay tribute and to inform the House of the tragic death of one of the great leaders of the Yukon native community, Mr. Elijah Smith.

In 1973, it was Mr. Smith who travelled to Ottawa to begin Yukon land claims discussions. In Mr. Smith's hands was the document *Together Today for our Children Tomorrow*. It was a precedent setting paper and served as a model for future discussions between federal governments and aboriginal people.

Mr. Smith was a great man, one of those rare people who could unite others on the strength of his vision. His eloquence and activism on behalf of his people and his commitment to Canada and the democratic process were renown.

Mr. Smith so loved his country that he served in the Second World War and lost his Indian status as a result of doing so. But his love for his own people was no less. In the hope of bettering their lives, he founded the Yukon Native Brotherhood and was later instrumental in bringing together all of the aboriginal people in the Yukon.

With aboriginal and non-aboriginal people in the Yukon, Mr. Smith has been a true leader. He will be truly missed.

I want to say to Mr. Smith's family, and I am sure I echo the sentiments of all members of this House, that a great leader has been lost to us but that his memory will go on.

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SISTER CLAIRE HASS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, yesterday in Pembroke, Ontario, a large host of Canadians from all walks of life gathered in St. Columbkille's Cathedral to celebrate the gift of the heroic life and death of Sister Claire Hass who was murdered last week while performing her dedicated missionary work in the Bahamas.

Sister Claire grew up within the peaceful, hardworking, farm community of Admaston township in the county of Renfrew. She entered the Grey Sisters Community in Pembroke, Ontario, in 1947 and began a long career of religious service; nursing and teaching included.

Her missionary work took place in many parts of the world. The most important aspect about Sister Claire was the fact that she was representative of that era in Canadian history which saw many very dedicated, idealistic and realistic young people go from the farmlands and the streets of our wonderful nation to serve their Maker by helping those who could not help themselves.

Her "halls of fame" were the streets of the poor and helpless, her classroom was her castle, her loving care wherever she was needed was her hospital. She practised her missionary work with conviction and purpose. Her life's work is an example for many Canadians to follow.

There is no doubt in the minds of those of us who knew her that Sister Claire Hass was welcomed into heaven with the words: "Well done thy good and faithful servant".

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[*Translation*]

SMALL BUSINESS WEEK

Mr. Gaby Larrivée (Joliette): Mr. Speaker, during Small Business Week, I would like to pay tribute to Canada's small businesses, especially those in the riding of Joliette which I have the honour to represent.

Small businesses are the engines of Canada's economy—no one can deny that. We realize they represent over 97 per cent of Canadian businesses and that their annual sales generate over $326 billion.

Joliette has many small businesses which, through hard work and determination, have managed to carve out a niche in a market that is becoming increasingly competitive, both nationally and internationally. Two examples are *Les Ateliers d'usinage M.D.M. Inc. and Filochrome Inc.*, and there are many more.

Mr. Speaker, Canada's prosperity depends on the prosperity of small businesses. That is why since 1984, the federal government has been trying to create an economic climate that is favourable to small business growth and development.

* * *

[*English*]

CONFLICT OF INTEREST CODE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on this important week of UN speculation, let us have the first reading of the conflict of interest code to Canadians according to Brian.

Before leaving office, public office holders should not allow themselves to be influenced in the pursuit of their official duties and responsibilities by plans or offers of outside employment. Public office holders shall disclose in writing all firm offers of outside employment that could place the public office holder in a position of conflict of interest.

Finally, where a public office holder does not comply with the measures he is subject to, such appropriate

measures as may be determined by the designated authority, including, where applicable, discharge or termination of employment.

Mr. Speaker, what does this have to do with certain job opportunities in downtown Manhattan by the riverside?

* * *

CANADA SCHOLARSHIPS PROGRAM

Mr. Bill Domm (Peterborough): Mr. Speaker, the Minister for Science announced the names of 3,200 new Canada scholars for 1991–92. Thirteen of these scholars are from the federal riding of Peterborough. These 3,200 new Canada scholars are joining the ranks of more than 4,000 established Canada scholars who are already pursuing studies in mathematics, engineering and natural sciences.

Canada Scholarships are worth $2,000 annually and can be renewed up to three times for a total value of $8,000 to each student. A Canada Scholarship holds more than monetary rewards, it brings prestige, recognition and career opportunities to the recipients. The Canadian government has pledged $80 million to this scholarship program.

Today's Canada scholars are tomorrow's scientists and engineers. I would like to take this opportunity to extend congratulations to both new and continuing Canada scholars. I wish them every success in meeting the challenge of being a Canada scholar.

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[*Translation*]

QUEBEC'S REPUTATION

Mr. Nic Leblanc (Longueuil): Mr. Speaker, over the last 30 years, Quebecers have built a society based on respect for others. They are proud of it. Today, they are disappointed, and for a good reason. During the Oka crisis, people in English Canada and abroad took the opportunity to tarnish Quebec's image. Now, in the Great Whale issue, people are doing all they can to demolish Quebec's reputation. The most shameful part of this story, Mr. Speaker, is that those who sit in government and pretend to defend Quebec's interests in Ottawa remain silent. Every time Quebec's reputation is threatened, they keep quiet. Is there connivance in all that, Mr. Speaker? I really wonder today!

SAGUENAY–ST. LAWRENCE MARINE PARK

Mr. André Harvey (Chicoutimi): Mr. Speaker, on April 6, 1990, the governments of Canada and Quebec concluded an agreement to create the Saguenay–St. Lawrence marine park in the medium term. They thus laid the foundation for what promises to become such a major experiment in environmental protection that it will be among the most important ecological initiatives in the world.

All interested persons and groups in the community, especially Mr. Corbin, president of the marine park coalition, ask both governments to stop their bureaucratic quarreling and to involve the community in this important development for all of eastern Canada.

As the coalition points out, the Saguenay–St. Lawrence marine park is neither federal nor provincial but belongs to present and future generations. To attain the environmental objectives that led to creating this park, officials must stop their useless jurisdictional disputes and personal bickering and let Parks Canada share its expertise and financial resources with Quebec and our region.

Let us put an end to these ivory tower frustrations.

ORAL QUESTION PERIOD

[*Translation*]

UNITED NATIONS

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday in the House, the Prime Minister said that he was not seeking the position of United Nations Secretary General. Given that statement, I ask the Deputy Prime Minister: Has the government asked Yves Fortier, our ambassador to the United Nations, to withdraw the Prime Minister's name from the list of candidates for that position, or has Mr. Fortier been asked to become the chief organizer for the Prime Minister's election campaign in New York?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it would be very difficult to withdraw from something that you were not a party to or a a part of and so the answer is no.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, yesterday I took the Prime Minister at his word when he said that he was not—and I repeat—that he was not a candidate for the job in New York. I believed him. Now, 24 hours later, the Deputy Prime Minister cannot tell me why the name of the Prime Minister has not been withdrawn from this list. The Prime Minister cannot have it both ways. Either he wants the job or he does not want the job.

• (1420)

I would like to know from the Deputy Prime Minister: What kind of instructions has the government given to Ambassador Fortier and the 1,200 Canadian diplomats abroad? Are they campaigning abroad, speaking for Canada or trying to find a golden parachute for the Prime Minister?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am really surprised—

Some hon. members: Oh, oh.

An hon. member: You are surprised.

Mr. Speaker: The hon. minister.

Mr. Mazankowski: Mr. Speaker, I am very surprised at the hon. Leader of the Opposition. First and foremost I think all Canadians should be honoured by the fact that the Prime Minister's name has been advanced for such a prestigious office.

Some hon. members: Hear, hear.

Mr. Mazankowski: Surely it is a reflection of the esteem and the regard with which he is held internationally, and surely it reflects the prominence and the importance of Canada in the leadership role and the activity it has been involved in since the United Nations started.

The fact of the matter is that the name was placed there by someone without the Prime Minister's consent. He has neither sought nor is seeking nor intends to seek such a position. As far as we are concerned, the matter is dead.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, it would be very easy for the Prime Minister to do what Mr. Trudeau did in similar circumstances. He said he was not interested and he was not going to take the job.

I want to ask the Deputy Prime Minister a question. One and a half million people in Canada are looking for jobs today. In Sault Ste. Marie, 20,000 people have joined together to save Algoma Steel. They are in the gallery today and they have presented a very good document to the government, and the government does not want to listen to them.

My question is very straightforward: When will the Prime Minister stop promoting himself for a job abroad and start promoting Canada—

Mr. Speaker: The hon. minister.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not sure whether that question was designed to promote his old friend Mr. Trudeau as a candidate. Obviously everyone knows that he is available doing nothing, but the phone never rang; his name does not appear on the list.

In so far as the Leader of the Opposition's reference to Algoma, the Minister for International Trade, myself and other ministers have met with representatives of the Algoma district expressing their concern about the future of Algoma. The Minister for International Trade is handling this file and is working very closely with all parties. We hope that there can be a positive solution found to this very serious difficulty.

I remind the hon. member that this government has already ploughed about $200 million plus into that facility, so we do have an interest in it.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Deputy Prime Minister.

Canadians have a right to know what the government's policy is with respect to the question of filling what will soon be vacant post of Secretary-General of the United Nations. Canada will have to decide whether Canada, among possibilities, is going to support the placement of the first woman Secretary-General of the United Nations, the first Secretary-General from the continent of Africa, or whether Canada is looking for a bailout, a parachute for an unpopular Prime Minister here at home.

We ask the Deputy Prime Minister: What instructions has the Government of Canada given to our ambassador at the UN, Yves Fortier, and to our ambassadors around the world? Have they been instructed to support the candidacy of the Prime Minister, or have they been given other instructions?

Mr. Clark (Yellowhead): This is worse than Trudeau and Iran.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I wish to advise the hon. member that Canada currently is not a member of the Security Council. The deliberations with respect to a replacement for the existing Secretary-General is a matter that is currently within the ambit of the Security Council.

At this stage, while it is deliberating, Canada does not have a direct influence or a direct say and will not until such time as the Security Council brings forth its recommendation.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I have a supplementary question for the Deputy Prime Minister.

It is not unreasonable for members of Parliament, indeed for the people of Canada, to ask the question whether or not the Prime Minister of this country has allowed his name to stand as a candidate for Secretary-General of the United Nations. It is perfectly reasonable to expect a straight answer. We have not had one.

I ask the Deputy Prime Minister: Has the Prime Minister allowed his name to stand? We know it has not been withdrawn. Has Canada given instructions to our diplomatic personnel? It is not believable that we would show a benign interest in this.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I repeat again, as the Prime Minister said yesterday, he has not sought, is not seeking and will not seek the position.

Mr. Tobin: What instructions have been given?

Mr. Mazankowski: What instructions have been given? It does not require the consent of any individual for the name to be put forward for consideration.

Mr. Tobin: And we have no comment?

Mr. Mazankowski: At the appropriate time Canada will comment, but at this particular time the deliberations are currently before the Security Council. What is so strange about that, Mr. Speaker?

* * *

THE CONSTITUTION

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

I am sure that while there are many things the minister and I might disagree with we do agree on one thing, and that is that we want to see the unity of Canada preserved and enhanced. We want to see the confederation of this country improved.

I want to raise with the minister some very serious concerns. I understand, and I understand well the process, that the constitutional joint parliamentary committee is not the minister's responsibility as such, that it is separate.

However, I want to ask the minister a question because this is a very serious issue of process. There were other alternatives to a kind of process we might use for the Constitution. The minister and his government wanted to see a joint parliamentary committee. We agreed to participate.

I want to say to the minister that there are serious concerns within the committee about consultation, about organization and about notice being given in the various regions of this country so that people who want to participate can.

Because of the extraordinary importance of this issue, will the minister make inquiries to ensure that the committee is truly functioning in a non-partisan and an organized manner so that all Canadians can have their say?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, naturally, if the Leader of the New Democratic Party thinks that I should make inquiries, I will. I guess I will start with her and ask her to state directly what it is that concerns her. If there is a problem that she states directly, I will then try to deal with it.

I would hope that perhaps in the process she could indicate to me who are the three official members of the New Democratic Party serving on the committee.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question, Mr. Speaker.

Yes, there are specific concerns if the minister would like me to raise them with him. There are concerns about the lack of notice for those members in provinces and territories who want to participate. We cannot have a participatory process if people do not know and cannot prepare for these. It is a very serious concern.

There are concerns about how contracts are being let in the committee, whether in fact those contracts are approved by the committee, and whether they are going through a proper process. There are concerns in the committee about whether in fact the committee is committed and the committee chair appointed by this government is committed—

• (1430)

Mr. Speaker: I know that the hon. member for Yukon will realize that in asking questions about what is taking place in a committee there are some narrow constraints under our rules.

The hon. member for Yukon is expressing some concerns that may more properly be the object of a question to perhaps a committee chairperson. I think the matters the hon. member is raising go beyond what the minister could in fact answer because he would then be answering for the committee itself.

Ms. McLaughlin: Mr. Speaker, I could phrase the question very succintly.

Will the minister ensure that Canadians have proper notice of the consultation process that is going to take place? Will he ensure that the committee itself is working in the non-partisan fashion in which he intended the committee to work?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I will certainly do everything within my power to ensure that. It would be helpful, in the interests of maintaining the respect for that committee which I think all members of Parliament, with perhaps some exceptions want it to enjoy, if there are specific concerns the hon. Leader of the New Democratic Party has if she raised them with me directly, if they are mine to resolve, rather than waiting for Question Period in the House of Commons to do that.

She has my undertaking to do my best to maintain the effectiveness and the non-partisan nature of the committee.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a final supplementary question for the minister.

Again we share the minister's concern that this committee work fulfil the function it must do, if it is to have the confidence of the Canadian people.

One of the real concerns is that there have been a number of TV ads, information and 1-800 numbers at a fairly significant cost to the government. The committee is proposing to double the budget for advertising.

I want to ask the minister: What does he feel is an appropriate method of informing Canadians? Is it by doubling the budget of the committee—

Mr. Speaker: The hon. member for Yukon, as I said earlier, may very well have questions that ought to be put to a committee chairperson.

I am constrained by the rules, as we all are, and I think that question goes beyond what can be put to the minister under the circumstances.

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ALGOMA STEEL

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Industry, Science and Technology.

Today the Community Action Team from Sault Ste. Marie met with the government to demand a commitment of support from the government to save thousands and thousands of jobs at Algoma Steel in Sault Ste. Marie, because in eight days' time the court protection from foreclosure runs out for this company.

The plan to restructure this company involves a buyout by the employees which requires a special tax incentive.

I wonder why the Government of Canada is refusing to provide a special tax incentive to help these employees carry out a buyout program and save these thousands and thousands of jobs. Can the minister explain why they are refusing that?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I just want to correct one thing. I believe it was one of the previous speakers from the Liberal side who said that we did not care about this issue. Nothing could be further from the truth.

Members of our caucus met with the group from Algoma yesterday and today and had quite full discussions with them. We have agreed on the areas where we do have a direct involvement. One of them is in relation to tax treatment on a buyout. Other areas would include training or early retirement for older employees.

These are matters that are under consideration in an active way. Members of my department have been meeting actively with people in the community, people from the company, Mr. Gaudry, the union and other interested parties, all with a view to putting together what is the most appropriate response to a very difficult situation.

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question for the minister involves the restructuring of Algoma.

In the business plan that the company put forward it suggested that some $46.8 million would be required for industrial and employee adjustment programs, as well as a bridging pension program for older workers, to allow them to retire with some dignity.

I want to ask the minister, in going before the court next week, if the government prepared to give its commitment that it will provide that $46.8 million to assist these older employees who are facing the loss of their jobs and their livelihood.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, as I indicated in my earlier response, there is a range of issues under consideration here. They are all linked. There are different responsibilities for the Dominion Foundries Company, Algoma itself, the banks, the union, the provincial government and the federal government. There is a wide range of responsibilities here.

As I indicated to my hon. friend in my previous answer, these proposals are all under consideration. As soon as there is a proposal to put forward that all are happy with then that is when we will have some very clear answers for him.

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ESTABLISHED PROGRAMS FINANCING

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Minister of Finance. I want to ask the minister about major transfer payment cutbacks to the provinces and territories.

I would like to ask the minister about the reduction in growth of payments to the Northwest Territories by 9 per cent over the past six years.

How can the minister justify a reduction in transfer payments to the Northwest Territories by $110 million over five years when the majority of communities has a 50 per cent unemployment rate and the cost of living in some cases is 60 per cent higher than that of places like Edmonton?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is referring to the equalization issue. As I indicated in the House yesterday, these adjustments do not come as a surprise to any of the administrations because it is part and parcel of the formula which is legislated.

These adjustments are made at least two times a year. Sometimes the adjustments are upward and sometimes they are downward. In this particular case there are some provinces, particularly in the Atlantic region, that will experience a reduction. Nova Scotia, for example, will experience an increase while Manitoba and Saskatchewan will be favoured with an increase as a result of this adjustment process.

That is part of a legislated program, and I am sure the hon. member would not want us to tamper with that on an *ad hoc* basis.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, the minister's well camouflaged numbers do not deny the fact that a reduction in transfer dollars to the Northwest Territories means it is hopeless for northerners to have any economic security or even much needed infrastructure such as roads and airports.

In fact there is virtually no activity in the Beaufort Sea for oil and gas. There are crippling air costs because most of it is done by air travel. There are no mining incentives or tax deferral schemes.

My supplementary question to the minister would be: Will the minister undertake to ensure the newly elected Government of the Northwest Territories that his government will stop reducing opportunities for northerners by placing the burden of the federal deficit on the shoulders of northern Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, while we have a serious fiscal problem, we certainly have not taken the issue of reducing the deficit solely on the backs of the provinces. For example, in 1984–84 transfers to the provinces totalled some $25.5 billion. In 1991–92 total transfers will equal $37 billion. That is a substantial increase.

In the area of equalization, in 1984–85 the transfers under equalization were $5.4 billion. This year it is $8.4 billion. EPF from $14.5 billion to $20.368 billion. The Canada Assistance Plan, in 1984–85 the transfers were $4 billion. In 1991–92 they are $6.3 billion.

• (1440)

It hardly suggests that there is a massive reduction in transfers to the provinces. I would interpret that as a massive increase in transfers to the provinces.

* * *

ALGOMA STEEL

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Industry, Science and Technology. It concerns Algoma as well.

The community action team is in Ottawa today representing a cross section of the communities of Sault Ste. Marie and Wawa. The minister is very aware of the facts surrounding this situation and he is also very aware of the requests we have made.

They are in the area of bridge pensions, older worker adjustment package, the necessary tax credits for employee buy–out and necessary funding for retraining.

It is the eleventh hour, and I ask the minister to provide specifics in which area the government will participate to give some reassurance to the delegation here today and to the communities of Sault Ste. Marie and Wawa.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, as I have indicated, members of our government and of our caucus have met with the community action team.

They had extensive meetings yesterday and today with them. They discussed the range of issues that my hon. friend has read out. As I indicated in my previous answer, these are complex issues that involve a number of players and the discussions that are under way right now involve what is the appropriate sharing of the burden of meeting the challenges of this very complex situation.

Those discussions are continuing. My department, the Department of Employment and Immigration and other departments are fully engaged in these discussions. I think it would be premature for me to indicate with any precision because it is very difficult to do so at this stage of the discussions when we do not have the final answers from all the players around the table.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my supplementary question is for the Minister of Labour.

The minister is aware of the present difficulties that the Canadian steel industry is facing. In Sault Ste. Marie and in Wawa, the situation is critical. Employees have already made many sacrifices in order to save their company and allow their communities to survive.

I want to ask the minister whether he is prepared to share some of the burden and whether the Older Workers Adjustment Program will be made more flexible for this company so that displaced older workers can be dealt with fairly.

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I thank the hon. member and commend him for his concern.

As far as the labour department is concerned, the lay–offs that have taken place are being studied by a committee of the province of Ontario and the federal government.

A report will be made to the Department of Labour and to me. At that time the decision will be made.

ATLANTIC ECONOMY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Finance.

In September of this year, this cash starved federal government found hundreds of millions of dollars to spend in a doomed attempt to save two Tory premiers. Yet this week the Mulroney government stunned the Atlantic provinces with a cut of over $170 million in badly needed equalization payments.

Will the Minister of Finance stand up today and guarantee that federal funding to the Atlantic provinces will be maintained at a level sufficient to ensure that national standards can be maintained in the delivery of health care and social services by these four provincial governments, yes or no?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I can assure the hon. member that it will be maintained consistent with the legislation and the formula that has been established.

I only remind the hon. member that equalization payments to the provinces have risen from $5.4 billion in 1984–85 to $8.4 billion in 1991–92. That is a substantial increase.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my supplementary is for the same minister.

Yesterday, the minister's press secretary said that "figures show the Atlantic economies are performing better than the other provinces".

Let us look at the facts. In Newfoundland, unemployment is 70 per cent above the national average. In Prince Edward Island, the per capita income is 32 per cent below the national average and in Nova Scotia, bankruptcies are at the highest rate in the country.

I ask the minister to stand and tell the tens of thousands of unemployed in the Atlantic region who are facing a winter on welfare, the students who cannot afford to pursue secondary education, or the sick waiting for hospital beds, whether he stands by these arrogant and objectionable statements made by his own department.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I don't want to deny the fact that there are serious economic difficulties that all Canadians are facing, and I certainly appreciate the hon. member's concern about that. at the same time I think there has to be clear recognition of the fact that the federal government recognizes that there are poorer provinces, and in an effort to equalize opportunities and equalize services, we provide equalization grants.

Just for the record so that the hon. member will understand, for 1991–92 the equalization on a per capita basis to the province of Newfoundland is $1,649 per person; for Prince Edward Island it is $1,531 per person; for Nova Scotia it is $1,050 per person; and for New Brunswick it is $1,201 on a per capita basis.

As I indicated the level of equalization grants to the provinces has increased by 60 per cent since we have been in office.

Ms. Mary Clancy (Halifax): Mr. Speaker, in the past year the federal government has cut transfer payments to Atlantic Canada by $164 million. The government speaks of competitiveness but it slashes post-secondary education funding. Dalhousie University, St. Mary's University, Mount St. Vincent University, to name three, have students, faculty and administrations that are bleeding from a thousand government inflicted wounds.

I ask the Minister of Finance today to tell us that he will restore established programs funding to its usual levels on a percentage basis, not just with his funny numbers game.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if I were to restore funding to the usual basis, it would go back to $5.4 billion. That would be the level that the hon. member would be referring to.

I repeat that total transfers to the provinces since we have come into office have increased from $25.6 billion to $37 billion in total transfers.

In terms of equalization, as I indicated earlier, the increase is from $5.4 billion to $8.4 billion, which is a 60 per cent increase.

It should be noted as well that today the Atlantic premiers in a press release said they decided not to ask Ottawa for more money to solve the financial crisis. They said they would concentrate on cutting costs and using

their resources more effectively. That is what we are all being asked to do.

Hon. Roger C. Simmons (Burin—St. George's): A supplementary for the same minister, who now confirms that even the premiers down there have given up on him. He must know that that bafflegab doesn't pay university tuition fees and it does not shorten the wait for those who need elective surgery.

When is he going to beat some sense into his colleagues and call a halt now to this terrible pulverizing of health services, of post-secondary education, in Newfoundland and all across this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I said in the House yesterday, you cannot have it both ways. In 1988-89, under the same equalization formula that is governed by statute, the provinces enjoyed an increase of $1 billion as a result of this adjustment process. In 1989-90 they enjoyed an increase of $720 million as a result of the application of the legislated formula and both the economic and financial statistics that flow from Statistics Canada.

The hon. member cannot have it both ways. All we are doing is applying the legislation that is there which enshrines the formula and enshrines the way in which these calculations are to be made.

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NUCLEAR ENERGY

Mr. René Soetens (Ontario): Mr. Speaker, yesterday the Atomic Energy Control Board released its research report on the impact of tritium releases into the environment by the Pickering nuclear generating station.

We were relieved to read that there was no prevalent relationship between infant deaths and/or birth defects in tritium releases, which clearly refutes a previous study by a Mr. David McArthur. My question for the minister of energy is as follows: Since the study did indicate that there is a higher incidence of Down's syndrome among children in Pickering and Ajax than is prevalent throughout the province of Ontario, will the minister proceed to a follow-up study as recommended by the Johnson report and will he proceed to seek approval of the province of Ontario ministry of health so that that report can be conducted?

• (1450)

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for the question. He raises a very important issue relating to the health report. I am pleased also with the manner in which the report has been done.

With regard to Down's syndrome, these conclusions are less clear. In fact there are similar levels of Down's syndrome in a country in Ontario quite far removed from any nuclear reactor, namely Leeds—Grenville.

Along with my colleague, the minister of health and welfare, I am asking the AECB to look at other possibilities whereby we could either verify these numbers more accurately, more closely, or whether there should be any further studies relating to Down's syndrome. I will take that up with the AECB.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is on the same issue to the minister of energy.

I think the minister is overly relaxed about the fact that this study has found that there is an incidence of Down's syndrome 86 per cent higher than the provincial average in and around the Pickering plant. I would ask him to give assurances to the House at this time that there will be further studies, not only with respect to Pickering and the surrounding area but with respect to other nuclear facilities in the country where epidemiological studies need to be made, not only with respect to the kind that have been made in this report, but others.

It seems to me that that is a commitment that the government should make through the minister of energy or through the ministry of health, and will he make that commitment now?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the first point I want to mention to the hon. member is that he uses an 86 per cent figure and it is not in the report. It was in a press report. I think that when we are dealing with health figures, we should not raise alarms which are not justified.

I take his question seriously in respect to whether additional work should be done. We have looked in this report in terms of leukaemia. There were arguments a long time ago about leukaemia. We have highlighted the Down's syndrome issue. As I said to my hon. colleague before and I say to the member who just put the question

that we will take a look at what other approaches we can use to try and verify other numbers that have been identified for any additional work. That undertaking has been given before and I give it gain.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I wonder if the minister then would clearly reject the conclusion that AECB seems to come to in that information put out by its office of public information says that no further examination of possible links in this particular situation would seem warranted.

Would the minister reject this conclusion and make it absolutely clear to AECB that further studies in this regard are warranted and that the government will make sure that either AECB or, even better, some more independent body has the ability to do that kind of research?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member first of all should not downgrade the AECB. He has been anti-nuclear ever since he entered this House. Any time the AECB comes forward with a report and he thinks it helps his bias, he uses the AECB as a credible institution.

Then when the AECB comes forward with something else and he does not like it, then of course it is not credible. I say to the hon. member that I will follow the advice of the experts and not his biases.

* * *

HUMAN RIGHTS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Deputy Prime Minister.

In the next few days the Canadian government will send a cabinet minister on a high level visit to China for the first time since the massacre at Tiananmen Square. I would like to ask the Deputy Prime Minister if this renewal of ministerial relations signifies that this government is no longer concerned with China's known abhorrent human rights record.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend should not draw that conclusion. I think she knows she should not draw that conclusion.

We have taken a very sensitive view on exactly what is happening in China. The Minister of Agriculture is visiting there on a mission to see whether there are ways that we can promote agricultural exports to China, China being one of our largest customers over many, many years. We have indicated consistently since Tiananmen Square our concern about human rights problems within China. We have made it very clear that as we have changed our approach marginally during this period to allow certain types of exchanges, that should not be interpreted in any way as condoning any of the human rights abuses that have occurred in China.

Mrs. Beryl Gaffney (Nepean): I have a supplementary question for the same minister, Mr. Speaker. I have just returned from China. I raised specific issues on human rights violations with top level Chinese officials. We know the situation is still appalling and yet they skirted my questions.

Will the minister raise with the Chinese government specifically the issue of the continuing suppression of basic human rights through the restraints on freedom of expression and the thousands still held in forced labour camps?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, it might have been very useful if what the hon. member just expressed here on the floor of the House had been expressed directly to me so that we could have had a discussion on that particular issue. The point that must be made here is that while we as a country have expressed our views on human rights in a very forceful way and made it clear in the implementation of our policies, we also need to have a view on how we trade with these countries as well because there are many jobs in western Canada that are based on trade in agriculture, and China is one of our best friends.

I say to the Liberal Party that you cannot have it both ways. On the one side it is saying: "We must do more for the farmers. We must provide a greater degree of support to the farmers" and then on the other hand: "We can't support agricultural trade with China". You cannot have it both ways.

ARMED FORCES

Mr. Doug Fee (Red Deer): Mr. Speaker, my question through you can be directed to either the President of the Treasury Board or the Minister of National Defence. The question arises out of a news release that comes from the Public Service Alliance of Canada, signed by the national president of that organization, wherein it says, among other things: "Effective April 1 of this year an Armed Forces colonel received a salary increase of more than $2,000 on a base salary of $74,000 or an increase of 3 per cent".

My question is twofold: First, is this statement factual? Second, if so, do we have a double standard where enlisted personnel receive a wage freeze in 1991 and officers do not?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I can reassure my friend that there is indeed no double standard. The Treasury Board directive of zero per cent wage policy applies to all ranks of the Canadian Armed Forces as it does to the Public Service, so that for this fiscal year colonels and generals will not receive pay increases, nor will they for this fiscal year be awarded either merit pay or bonuses.

* * *

[*Translation*]

EDUCATION

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my question is directed to the Minister of Finance. Nationally speaking, 30 per cent of Canadian students do not finish high school, while in some regions this figure is 70 per cent. The Prime Minister keeps telling us that getting a good education is so important, and meanwhile his government is mercilessly slashing education and training budgets, which were cut by 7.6 per cent last year. My question is this: How can the government claim education is a priority, when it slashes the budget for this sector?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the Prime Minister has spoken out as my hon. friend has observed on a number of occasions about some of the challenges that we are facing in the over-all learning system for our country. He has pointed out that the amount of money that is spent per capita on education is the second highest in the industrialized world, second only after Sweden.

I think the challenge that we face is not how much, but how we spend. Yesterday I announced that we would be releasing the prosperity through competitiveness papers and the lifelong learning process papers next Tuesday whereby we will be asking Canadians to express their views. My colleague the Minister of Employment and Immigration and I will be encouraging a broad nation-wide consultation and discussion on these issues so that the questions the hon. member poses can be answered in the broadest possible way.

• (1500)

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, a supplementary question for the same minister. The government has steadily cut education and training funds since it was first elected, according to a recent Statistics Canada study.

In my riding some school boards have complained about funding cuts of more than 50 per cent over the previous year for the START option, a principal component of the government's so-called stay in school initiative.

Why is the government's education strategy all show and no dough? Why the charade? Why does the government announce programs and then cut them shortly after?

Some hon. members: Resign.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the only charade taking place is the Liberal member standing up and telling Canadians through this House that we have cut money and transfers to education.

I invite the hon. member to look at the numbers. He will find that they have not actually decreased, they have increased since 1984. If $11 billion a year of taxpayers' money for training and education in Canada is nothing for the member from Restigouche, it means a lot for Canadians elsewhere.

Tribute

THE ENVIRONMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Minister of the Environment.

The election of a new government in British Columbia is good news for the Fraser and Nechako Rivers. The new premier and his government are committed to a full and proper environmental assessment of Alcan's Kemano project.

I would like to ask the minister if he will drop his government's appeal of the court ruling ordering the government to follow its own guidelines and join with the province in a joint, proper review of this project.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, first let me make it clear to the hon. member that we have had a number of court rulings in this area over the last few months, and only in the last few months. I think there has been at least five or six major court rulings, including Great Whale in Quebec.

The Government of Canada decided to enter into appeals in some of these instances because what we are dealing with are very fundamental questions of law, in some cases constitutional law, that are deserving the attention of higher courts.

That being the case and referring specifically to Kemano, the Government of Canada has not refused to enter into its responsibilities in respect to its environmental assessment review process. Quite the contrary, we are now initiating the first step of the process as provided for by the ruling.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, if that was correct, then the minister would ask the Minister of Justice to withdraw the appeal of the court ruling.

Given the minister's position, would he agree to meet at the earliest opportunity with the new minister of the environment of British Columbia to discuss how a proper joint review can be conducted?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I would like to meet with the new minister of the environment for British Columbia as soon as possible, as soon as there is one. As far as I know, nobody has been named to that portfolio yet. Until somebody is in that job, it is hard to meet with them. Unless the NDP are on to something I do not know about.

That being the case, let me point out with respect that in the case of Kemano, the Government of Canada lodged an appeal but did not ask for a stay of execution of the first ruling. That is a very important nuance in the way we approach this issue. We did not ask to stop the process. We want the higher courts in these instances to give us a ruling, some indication of where we are at with very fundamental questions of law and constitutional law. We are now applying the first part of the process of ERP and intend to proceed with that.

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PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of members of the Canadian Council of Forest Ministers.

Some hon. members: Hear, hear.

* * *

THE LATE HERMAN BATTEN

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I have had discussions with the parliamentary secretary to the House leader opposite. I seek consent from the House to express condolences on behalf of all members of Parliament to the Herman Batten family.

Herman Batten was a member of Parliament from 1953 to 1968 and passed away last night at the age of 82. Herman Batten was my predecessor in the riding of Humber—St. Barbe—Baie Verte. In fact his constituency at one point, as other members who have been here longer than I will recall, included all of western, northwestern and southwestern Newfoundland.

He was re-elected six times and served as Deputy Speaker of the House of Commons. He will be remembered as the gentleman who was the chairman of the House of Commons flag committee and sought to maintain a modicum of order in what was a very emotional and divisive debate. Perhaps it reminds us somewhat of the debate that goes on in this country today. But he was able, through great patience, great sensitivity and great understanding to find consensus and

to produce, as chairman of the flag committee, a new flag for Canada.

Mr. Speaker, he was a member of Parliament when you could not fly back to Ottawa in a couple of hours. He was a member of Parliament when you had to visit most of rural Newfoundland by boat. He was one who was held near and dear by his constituents. He served with great distinction and great compassion. He shall be remembered in the Liberal Party. He shall be remembered I know in this Parliament and, in particular, he will be remembered with a great deal of warmth and fondness by the people of western Newfoundland.

Mr. Speaker, I thank you and my colleagues for this opportunity to express our appreciation for Herman Batten and our condolences to his family.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I rise on behalf of members of the government to express to the Batten family and to the friends of Herman Batten our sorrow at hearing of his passing.

The hon. member who spoke just before me has mentioned many of the attributes and many of the contributions to our country of Mr. Batten and we know that the people Newfoundland were proud of him and proud of the work that he did.

I want to draw particular attention to his work as a committee chairman. That is a role that we in this House give a great deal of dignity and I, being a boy scout back in 1968, can remember some of the emotion that was generated with that particular debate.

Having served as a chairman in this House, I know that when you have a controversial issue, it is a great test of character to be able to go through an issue that is so difficult and so divisive and yet has to be addressed in terms of what is good for the country.

I want to conclude once again by saying that on behalf of members on this side of the House, we express to the family of Mr. Herman Batten and to his friends our sincere sorrow to hear of his passing.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on behalf of the New Democratic Party I want to say how saddened we were when we heard of the passing of Herman Batten and our condolences go out to his family and his friends.

As others have indicated, he was known as a constituency man. He served the constituency well. He was a friend of everyone in the constituency. If my memory serves me, he was re-elected six times as a show of good faith by his constituents in the work he did on their behalf.

Also, those who knew him and those who read *Hansard* know of the role that he played in some very critical debates in the House of Commons. He was a man who was not afraid to speak up for his constituents and was not hesitant at all to speak on the critical issues of the day.

When we heard of the news of his passing we were very saddened and our thoughts and our condolences go out to his friends and his family.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I too would like to rise and say a word on the passing of Mr. Herman Batten, the former member for the old riding of Humber—St. George's, a good chunk of which is now part of the riding of Burin—St. George's which I have the honour to represent here.

In so doing, I pay tribute to a great Canadian, to a compassionate Newfoundlander and to an absolutely marvellous human being. He is remembered fondly and often by his constituents, indeed his name came up in a conversation just a few days ago in my riding.

• (1510)

As Deputy Speaker of this House he represented the institution with great dignity and great purpose and we salute him for that. He will be remembered by those who heard him speak from this Chamber and elsewhere for he had a very rich baritone voice and a very impressive intellect to match.

His family and his friends, who are legion, can be consoled in the sure knowledge that he lived a good, full life and touched the lives of many for the better because of his great integrity and compassion.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, as one who knew Herman Batten personally in this House, I would like to say a word about him today.

In Newfoundland he was known as a schoolmaster. He sat in the chair of this House and brought great dignity to

that position. He had that great, deep voice that automatically communicated the fact that he meant business.

Whenever you met him on the street you would see him wearing the good old black hat that was so prominent in those days and in previous days. He looked like an educator. He was a professional person in every way. He had the ability to handle very difficult problems with ease because he was cool, he had a candour and one could tell that he dealt with many problems before coming to this House and he handled them here extremely well.

I remember Herman Batten as a fine gentleman, a very effective parliamentarian, a man with coolness and dignity in this Chamber. He was missed very much after he left here because he did do such a great job in the Chair.

I would like to take this opportunity to extend our condolences to his family, and to say to his constituents who knew him so well in those days that they had great wisdom in selecting him as their member of the House of Commons of Canada.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I rise on the same point of privilege and do so with a little trepidation. I am glad the hon. member for Renfrew—Nipissing—Pembroke spoke because he and I were here when the Hon. Mr. Batten was here and was Deputy Speaker. I cast no reflection on the fine comments made about Mr. Batten the individual.

Madam Speaker, I really do think that in this House of Commons we have to start to get criteria about the eulogies to members who have come, and other distinguished Canadians who have passed away, having served Canada.

Monday, for instance, we had freelanced here on a point of privilege the death of an outstanding Canadian, 91 years old, a Mr. Nicholson. He used to be a member of this House of Commons. I almost rose then, as I should have done, because in my experience here for a few years I have never heard so many tributes. We have become the house of eulogies rather than the House of Commons. I have written a letter to the Speaker. This is no reflection at all on all those we referred to, but when I hear some of the words, Madam Speaker, about how they are all sorely missed, after 10, 15, 20 or 30 years I really question how members can say that who never were here when the member we are talking about served in this House. It thus discounts and dilutes the tributes that have to be made on those occasions that used to be reserved for this period. But it should not be for every former comrade who has fallen by the wayside because of the natural reflection of time.

I really hope the Speaker takes this under consideration and can give some criteria to House leaders so that we all know. We did something the other day that I do not remember having done before. I may be out of tune, but certainly, Mr. Blackburn, when you go we will try to remember you.

An hon. member: Who was it the other day?

Mr. Nowlan: We had the Supreme Court Justice, Madam Speaker, a very fine Canadian. But now do we do it for every Federal Court judge? Do we do it for the Chief Justice of the provinces?

I think there are many little matters in this regard. Instead of diluting the tributes that used to be on the floor of the House, we should have criteria to make them worth while for those we try to remember in the best way.

Madam Deputy Speaker: I thank the hon. member for Annapolis Valley—Hants. He has been around this place for quite a few years and would be in a good position to make comments as to when a tribute should or should not be given to a former member of this House who has passed away.

The Chair will certainly take this into consideration. I think the committee as well could devise some types of rules which could be used. I thank the hon. member for his remarks.

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENT

FIRST REPORT OF STANDING COMMITTEE

Hon. David MacDonald (Rosedale): Madam Speaker, I have the honour to present the first report of the Standing Committee on Environment pertaining to the Porcupine caribou herd calving grounds in the Arctic National Wildlife Refuge in the state of Alaska.

The United States administration has recommended to Congress that certain lands in the Arctic National Wildlife Refuge be opened for petroleum exploration and development. This will affect the Porcupine caribou herd consisting of some 170,000 animals that live in the

Arctic, the management of which is shared both by United States and Canada.

Our committee is opposed to petroleum exploration and development in the refuge, and we make three specific recommendations urging the federal government to use all available means to convince the U.S. Congress and the administration not to pursue any developments in this area, endangering both the herd and the people whose very lives depend upon it.

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

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TELESAT CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

Hon. John McDermid (Minister of State (Finance and Privatization)) moved for leave to introduce Bill C-38, an act to provide for the continuance of Telesat Canada under the Canada Business Corporations Act and for the disposal of the shares therein of Her Majesty in right of Canada.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. McDermid moves that the bill be now read the first time and printed. Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

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INSPECTOR OF PENITENTIARIES ACT

MEASURE TO ENACT

Mr. Derek Blackburn (Brant) moved for leave to introduce Bill C-317, an act respecting the office of Inspector General of Penitentiaries.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Blackburn (Brant): Madam Speaker, the short title of the bill is an act respecting the office of Inspector General of Penitentiaries.

The bill calls for the creation of the office of the Inspector General of Prisons or IGP who would be the inspector for all federal penitentiaries in Canada and who would make such inspections, examinations and inquiries as the inspector considers necessary.

The IGP would be an officer of the House of Commons and would be directly responsible to it in the same manner as is the Auditor General and unlike what is currently in the proposed Bill C-36 where the inspector would be responsible to the Solicitor General.

Madam Deputy Speaker: Mr. Blackburn (Brant) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

• (1520)

EDUCATION STANDARDS ACT

MEASURE TO ENACT

Mr. Mac Harb (Ottawa Centre) moved for leave to introduce Bill C-318, an act to establish national standards across Canada for education provided by the provinces.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Harb: Madam Speaker, I would like to thank my colleague for St. Boniface for seconding this bill. I want to thank him for his great assistance throughout this debate.

This is an attempt to bring national standards to some key areas of education. We do recognize that the constitutional right of the provinces would allow them to opt out if they choose to opt out and would allow them to participate if they choose to do so. The prime objective of this bill is to protect, promote and improve the quality of education in Canada in consultation with the provinces with national institutions, with teachers, with youth and student organizations, with the voluntary sector and with industry and the business community.

I want to thank you, Madam Speaker, and thank Jeanette Arsenault and Michael Clegg for great help in preparing this bill.

Madam Deputy Speaker: Mr. Harb moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

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HOUSE MANAGEMENT

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I believe you will find consent for the following motion relating to the Standing Committee on House Management. I move:

> That within its mandate related to broadcasting guidelines of committees as per Standing Order 119(2), the committee be authorized to travel to the legislative assemblies of Ontario and Quebec on October 28 to Toronto and on October 31 to Quebec City for 10 members to be accompanied by two staff members and the Director General of Parliamentary Operations.

Madam Deputy Speaker: Does the hon. parliamentary secretary have unanimous consent to move the motion?

Some hon. members: Agreed.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

JASPER AIRSTRIP

Right Hon. Joe Clark (Yellowhead): Madam Speaker, I have the honour to present to the House a petition signed by residents in Jasper and other communities in Alberta and British Columbia urging the Department of the Environment to keep the Jasper airstrip open.

COMMEMORATIVE STAMP

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, it is an honour for me to present a petition on behalf of probably more than 100 residents of Edmonton with respect to a great woman, Marie Sklodowska Curie, that she might be honoured for her scientific contributions to humanity. The signers of the petition believe that the gift of the discovery of radium to heal the sick of the world deserves to be recognized in our country.

The petitioners call on Canada Post to honour Madam Curie by the issuing of a commemorative stamp on the occasion of the 125th anniversary of her birth on November 7, 1992. It is my pleasure to tender the petition.

[*Translation*]

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I have two petitions. The first one is from residents of Val-d'Or, Joutel, Vassan, Quebec City, Montreal North, Sainte-Catherine and Saint-Émond, who respectfully submit to Parliament that the Canada Labour Code must respect the principle set forth in the Canadian Charter of Rights and Freedoms and is therefore supposed to protect the rights of women; and that preventive withdrawal for pregnant women is a desirable and necessary option for women in the workplace. They call upon Parliament to recognize the need for including clauses in the Code concerning preventive withdrawal of pregnant women, with pay.

GUN CONTROL

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, my second petition concerns firearms. It is from a group of petitioners who are residents of Ottawa, Gatineau and Gloucester. Whereas access to firearms is a critical factor in homicide, accidents and suicide; and whereas in Canada many kinds of weapons are readily available which are not needed for legitimate purposes such as hunting or competitive shooting, your petitioners ask Parliament to adopt legislation that will prohibit the possession of firearms by any person with a criminal record.

[*English*]

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is a pleasure for me to present a petition on behalf of a number of residents of Barriére, Louis Creek, Kamloops and Darfield, British Columbia. They are concerned about a proposal to divert the North Thompson River at Valemount into the Columbia River channel, which will eventually move water from British Columbia to the San Diego, California area. That is part of the plan.

They are simply calling upon the Government of Canada not to permit our fresh water rivers to be dammed and diverted to the United States and to state categorically that our rivers are not for sale.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is my privilege to present this petition on another matter on behalf of a number of the residents of Kamloops, B.C. who are concerned about the apparent increasing level of lawlessness as a result of RCMP cutbacks.

They say that the Royal Canadian Mounted Police in many cases is simply unable to provide the policing service that it ought to and would like to because of the funding cuts. They are simply asking the Government of Canada to ensure that proper funding is kept in place to ensure proper RCMP police protection.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I suggest that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all the Notices of Motions for the Production of Papers be allowed to stand.

Madam Deputy Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

DECORUM IN CHAMBER

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) moved:

That this House recognize that it is the national forum for the consideration of issues and challenges facing all Canadians;

That this House recognizes that its Members were elected by the people of Canada to represent them in a manner which demands that individual Members respect one another and their democratic right to express differing opinions;

That Canadians have expressed alarm at the excessive partisanship and lack of decorum and civility too often in evidence in the House;

That this House recognize that disruptive behaviour and verbal interruptions, including abusive language, leads to a depreciated view of and respect for the institution of Parliament and its Members;

That the Members of this House share in the responsibility of eliminating the use of offensive language or gestures directed at other Members either during Question Period, debate or otherwise in the Chamber; and

That this House supports the Speaker's vigorous enforcement of Standing Order 16(2) and Standing Order 18; in particular those portions which require that when a Member is speaking no Member shall interrupt him or her except to raise a point of order and that no Member shall speak disrespectfully or use offensive words against either House or any Member thereof.

• (1530)

He said: Mr. Speaker, this motion today had its genesis some months ago when the whole concern about the operation of the House, its effectiveness, efficiency and reputation became a matter of some public debate.

I have spoken on this issue for many months in the context of House reform and in seeking ways to improve the institution, make it more responsive and restore faith in it.

We had independent confirmation of the disrepute in which we were held in the Spicer report. It is interesting to recall that the Spicer report was a result of the Citizens' Forum on Canada's Future. The issue before the forum was one of constitutional reform, one of the unity of this country. In pursuing its mandate the commission held public hearings literally everywhere in the country to ask people about their concerns about this

country. With a rather disturbing frequency people raised the question of Parliament and how it carries on.

I would like to quote an anecdote from a group in Ontario on page 97 of the Spicer report: "Just terrible the way they carry on in Parliament, like unruly children, bad tempered brats, no control, quarrelling between parties. Why don't they get together and use their better ideas". As I said, this was not an isolated anecdote incident and it was repeated in many parts of the country by many groups. In the report's conclusions, the commission states on page 136 of the report: "We join with forum participants in deploring the mindless, and sometimes disgraceful, behaviour of members of both Houses in bringing the parliamentary system into disrepute. We agree with the forum's participants who have pointed out constantly to the fact that our system is too partisan and far too adversarial. In particular, we would urge a careful review of Question Period and how it is organized with an eye on the more productive Question Periods in other parliamentary systems".

If we are to fulfil our responsibilities as members of Parliament, we have to take that observation and those recommendations seriously. We must act to change that view of ourselves and this Chamber. Canadians from coast to coast are identifying this Chamber and our behaviour in it as part of the fundamental constitutional problems of this country.

Let us make it clear that this is not in itself an adversarial debate. I do not intend to engage in finger pointing and I am prepared to admit that I am as adversarial as others in this House. I am sure that other parties have gone through the record as I have. I am sure there are quotes the House leader of the Liberal Party would not like to be reminded of. I have some quotes that the House leader of the New Democratic Party would not like to be reminded of, and I am sure there are quotes that I would rather not be reminded of.

Some hon. members: Books.

Mr. Andre: I understand that. However, that does not change our responsibility as members of Parliament to address the concern which Canadians have stressed from coast to coast.

Some have suggested that the introduction of television in this House is the root of the problem. There is some merit to that suggestion. Television is first and foremost an entertainment media. Television finds conflict, theatrics, fighting, and the adversarial aspects of politics irresistible. That is not a conspiracy. Television reporters are not somehow bad. It is simply a fact of life. Television brings this institution into the living rooms of virtually every home in this country. Television is here to stay; the technology is here to stay. We have to recognize that and conduct ourselves accordingly.

I think the media can help by understanding that and understanding their responsibility. I am reminded of two incidents which I think make the point. In one instance a member of this House stood up and made the accusation that a member opposite was lying. The Speaker quite properly asked that the remark be withdrawn and the member did. However that night the clip of the member standing up theatrically declaring somebody opposite a liar was used on television.

A member of my staff telephoned the producer of that program and said that this was rather unfair since withdrawal was tantamount to it not being said. Television is supposed to be electronic *Hansard* and by running something that was withdrawn it in essence gave a false impression of what was happening here. That type of occurrence tends to create that type of activity because we are all human and are in politics because we desire and need to be exposed to the public. If television is going to cover antics such as breaking the rules then the temptation to do that is overwhelming.

In fairness, I must say that CTV examined the tape, examined what happened and said it agreed that it should not have done that. It is now CTV's policy that it will not run clips of statements that have been withdrawn.

Just the other day in the House a member said "hypocrite", a word that is not to be used in this House, and he withdrew it. However some of the print media ran that line. It was withdrawn, it was supposed not to have been said, but it was run.

We also telephoned that particular institution and drew its attention to what it was doing when it treated what our rules say is invalid in here as valid criticism. The institution had encouraged it and it should not be done. In that case we did not get a commitment to change

policy but we did get an acknowledgement that there was a problem which needed to be addressed.

I repeat again that I do not suggest this is partisan, that one side is more sinful or sinless than the other. We are all partisans in an institution which we all respect. However sometimes in our partisan zeal we behave in ways which bring this institution into disrespect.

We have been speaking about the need for change for better behaviour, but I do not think we have demonstrated that desire through our behaviour and our words. We talk about the need to change but have not really demonstrated it as a body. There are rules in existence guiding decorum and offensive language, and I think it is time and appropriate to reassert the commitment of members of this House to these fundamental rules.

For instance, Standing Order 16(2) states specifically that when a member is speaking no member shall interrupt him or her except to raise a point of order. That Standing Order is honoured in the breach more than it is in practice. I venture to say it would be difficult to find a day in which someone on their feet, either asking a question or answering one in Question Period, is not being shouted at, heckled, and barracked from the opposite benches. That is contrary to the Standing Orders of this House.

If we do not believe those Standing Orders should be there perhaps we should take them out. However, I think we believe they should be there. Perhaps we should be asking ourselves to follow the Standing Orders and ask that they be enforced if we too often behave more like members of a mob than individual responsible members of Parliament.

Standing Order 18 says that no member shall speak disrespectfully or use offensive words against any other member. Of course we all know that is violated virtually every day in this institution, mainly in Question Period, but in debate as well.

They are pretty clear. We do not follow them. Maybe we should. The public out there is demanding that we do. Those are the Standing Orders. Beauchesne's, our procedural bible so to speak which lays out how we should engage in debate in Question Period, is again violated virtually on a daily basis. A rule respecting Oral Questions, citation 409, paragraph 7 of Beauchesne's sixth edition, says:

> A question must adhere to the proprieties of the House, in terms of inferences, imputing motives or casting aspersions upon persons within the House or out of it.

• (1540)

In other words, we should not impute motives or cast aspersions upon persons in this House. We do it all the time. Lest that just refer to the questioner, it says in terms of reply to Oral Questions, page 120, citation 408, paragraph 2.

> Answers to questions should be as brief as possible, should deal with the matter raised and should not provoke debate.

I hesitate to say that a lot of the answers provoke heckling, barracking and debate. And that is true as well.

Maybe we should ask ourselves if Beauchesne is obsolete and from a day gone by. Perhaps nowadays it is appropriate to heckle, barrack, provoke debate, impute motives and do all of those things that precedents in this book say are inappropriate.

If they are still appropriate today, let us agree and collectively do what we can to condition ourselves. We must ask our presiding officer to bring us back into control when our emotions or better judgment gets out of control. It is something we should seriously ask.

Shouting across the floor, barracking and constantly interrupting members is not necessary. It does not aid understanding. It does not improve the quality of life of Canadians and it is contrary to the rules. If we obeyed the rules a greater calm would prevail, the atmosphere would be more conducive to speaking and listening to responsible and fair debate.

We do not need to shout, yell and barrack insults in order to carry out our responsibilities to govern the country, to be held accountable and to raise issues of concern to our constituents. This is what this debate is all about. Name calling or slurs are not appropriate and neither are they acceptable. Theatrical outbursts and actions denigrate this Chamber and, by extension, the people we are here to represent.

Ms. Clancy: Like storming the chair.

Mr. Andre: I am trying to keep this on the high road. The member for Halifax, speaking from her seat, talks about storming the chair.

Mr. Milliken: I knew you did not do it, Harvie.

Mr. Andre: The member for Kingston and the Islands will be able to tell his colleague that he saw the clip and knows that did not occur. There is continuous repetition of that slur. She is not the only one, I can assure you, who has used that over the years.

Mr. Mills: She did not refer to you.

Mr. Andre And there is the hon. member for Broadview—Greenwood interrupting me from his seat as well. It is that sort of—

Mr. Mills: You are casting aspersions on her.

Mr. Speaker: The hon. minister has the floor.

Mr. Andre: Mr. Speaker, I think the interjections opposite probably make my point better than I could.

An hon. member: You are a phoney.

Mr. Speaker: Will the hon. member withdraw. The hon. member is completely out of order. I would ask that he withdraw "you are a phoney", please.

An hon. member: I humbly withdraw my remarks. The cheap shots—

Mr. Speaker: I do not want a further argument about it. It was very clear and I have no other course than to ask the hon. member to withdraw. The hon. member has withdrawn.

The hon. minister has the floor.

Mr. Andre: Perhaps it is not possible for us to put our partisanship aside, but I think we need to try. I again commend those of us in here who worry about these things to read some of the things that are said about this institution in the citizen's forum.

Mr. Riis: The government.

Mr. Andre: The House leader from the New Democratic Party is interrupting me.

Some hon. members: Oh, oh.

Mr. Riis: Mr. Speaker, I rise on a point of order. In light of the comments made by my hon. friend and colleague, surely while we are listening to his interesting comments we are allowed to muse aloud.

There is no intention to heckle. There is no intention to interrupt. It is just that when I hear some of his comments, for example when he referred to the Spicer commission's reports and commentary on behaviour here, I was simply musing aloud. The Spicer commission had a lot to say about the Prime Minister as well.

I am not interrupting him. I am not causing difficulty. I am just musing aloud.

Surely to goodness we do not have to sit here in mute silence for every second of the day while we listen to someone like the government House leader speak.

Mr. Speaker: If you are asking my opinion you are treading into dangerous ground indeed.

Mr. Andre: Mr. Speaker, I suppose we should put in here, then, musing aloud is allowed. I do not know.

Seriously I have been here for 19 years and I know some would say that is too long. I will anticipate the remarks on the other side. It becomes less and less of an honour to describe one's occupation as a member of Parliament, given the kinds of comments that one reads and hears about in terms of this institution.

Again I am not finger pointing in terms of the problems being over there as opposed to over here or any such thing. I am simply making an observation which I believe behoves us all to recognize that the public does not hold this institution in great esteem.

I think it is time that we recognize that. I think it would be appropriate for the House collectively, for all of us on all sides, to say: "Yes, there is a problem here".

We can for our partisan advantages say who is more the problem than the other side and so on and so forth. If we choose to do that, perhaps we can do that outside. Perhaps we can do that by way of a press release or out in the scrums. In here we can treat each other with respect and with the commitment that we believe equally that whatever our differences and views we are sincere in our views and we are here because we want to serve this country.

We are not here for the purpose of demeaning those whose views are different from ours or those on opposite sides of the House. It is the service of the country that motivates us all. We must recognize that we need to address the reputation of this institution.

We ask our presiding officer to recognize that we are weak. We fail. We let our emotions get out of hand and we call on him to be superior to the rest of us; not let his emotions get out of hand but to keep us under control and identify us publicly when we misbehave. That is a pretty significant penalty for the folks back home to see

the Speaker identify the member for Calgary Centre or say the government House leader should not speak from his seat if he is not recognized. That is a significant penalty. But the Speaker cannot do it if we do not agree to it.

I am asking colleagues in this House to agree that we have a problem, that we are going to address it collectively, and that we are going to try to restore the reputation of this institution and make Canadians proud of us rather than embarrassed about us.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I rise on a point of order to designate tomorrow as an allotted day.

* * *

HOUSE OF COMMONS

DECORUM IN CHAMBER

The House resumed consideration of motion of Mr. Andre (p. 3871).

• (1550)

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise this afternoon to participate in this debate. I want to say a few things about how we got here today, for the record, so that Mr. Speaker will be fully aware of what has gone on and who has been informed about the substance of this particular motion.

I want to say to the government House leader that he is accurate in his intervention in that the subject matter itself has been discussed among House leaders, but certainly the motion itself has not been a subject matter for House leaders. This has been placed on the Order Paper and, I might underline, it is the right of the government House leader to do so.

Having said that, I have listened attentively to what the minister has said. I wish to quote the second paragraph of the motion. It states:

> That this House recognizes that its Members were elected by the people of Canada to represent them in a manner which demands that individual Members respect one another and their democratic right to express differing opinions.

How true that is, but the House leader opposite goes on to quote as his authority the comments and the conclusions of the Spicer commission. I want to be careful here because I do not want to misquote him. I think he said "independent confirmation of the disrepute of parliamentarians" and the citation that he used was Mr. Spicer and the commission which travelled the country.

I know that the hon. member opposite selected a few pages which had references with regard to Question Period. I want to quote for the hon. member opposite some of the words of a friend of mine, of members of the New Democratic Party, of that side, and perhaps even a dear friend of the Minister of Employment and Immigration at one time. He is one of the commissioners who was appointed by the Prime Minister to the Spicer commission, Richard Cashin. Here is what he said. I think this is worth noting. As many members know, he was a former member of this House and served with some degree of distinction in the deliberations of this House.

I am quoting from page 141 of that text. It states:

> From the outset there were those who expressed the hope that this process would do more than just solicit the views of Canadians. Unfortunately for a variety of reasons we were unable, as some commissioners would have liked, to deepen the dialogue.

He goes on:

> Public opinion must be respected for its complexity and we must recognize that people's views on subjects change with the information they have and the thoroughness of the debate.

He further states:

> The people who spoke to us expressed opinion on many matters. We have no way of knowing how their opinions on one matter were related to their opinions on other matters or what priority particular issues may have had in their thinking. Nor do we have any way of knowing how representative the opinions we hear may be of the opinions of all Canadians. This is because the process of participation was self-selective.

And I underline that. I put that on the record not to challenge the government House leader but to balance the views. The view that he is putting forward as I understand it—and I stand to be corrected—is that the operation of this House, and in particular Question Period, is despicable and is held in much disregard by Canadians. That is one view.

There is another view of a commissioner on the Spicer commission who says that the views which were put forward to the Spicer commission on many occasions were not challenged. There was no thoroughness of debate. There was no comprehensive dialogue going on

between those participants and those that were making the presentations.

I would ask, did the Spicer commission make a distinction between opposition MPs asking questions and ministers responding to those questions? I have read the Spicer commission report and I did not see any distinction on that.

Is it possible, I ask the Chair, that Canadians who have watched our deliberations may not like the length of the hon. member's hair, may not like the way the hon. member poses his question, may not like the way the hon. member phrases a couple of words? Or could it be possible that Canadians are not very happy with the responses on free trade? They may not be happy with the responses they have received on the GST, or the vagueness of the answer, or on Constitutional matters, regional development, CBC cutbacks, or proliferation of taxes. Make no mistake about it, Canadians out there today are angry. They are angry at Parliament, at provincial institutions, because the economy of this country is in such bad shape that they want their legislators in Ottawa to take concrete, positive action and to date they have not seen that. They have not seen that in the last number of months.

Mr. Mills: Absolutely. Right on.

Mr. Dingwall: I think that must be said. My colleague makes reference to the TV networks. I think this is a point I share with the hon. member opposite. If there is a withdrawal made by an hon. member, it would be inappropriate for TV networks to carry the exact intervention without having the withdrawal stated as well.

The hon. member talks about breaches of certain Standing Orders of the House of Commons. Implicit in his argument, and I am not suggesting he has said this, is that there have been numerous breaches of the Standing Orders. I disagree. I think there have been breaches of the Standing Orders, there is no question. In a Chamber of 300 persons or so, yes, you are going to get breaches of the Standing Orders. But I have full confidence that the Chair is our arbitrator, is impartial and will draw to the attention of members in the House when those rules have been broken. I think all hon. members on all sides of the House would want to concur with that.

The government House leader has said that this Chamber is quite a theatre and that from time to time people may use language or expressions which may make the front pages of newspapers or clips on television. I have to tell the hon. member, and I say this to you, Mr. Speaker, because not only are we debating the pith and substance of the motion before us, we are also debating the spirit of the motion.

It has to be said that when I was elected to represent my constituents, with youth unemployment in excess of 17 per cent, adult unemployment in excess of 25 per cent and upwards to 40 per cent in parts of my constituency—and I see other members here who have similar concerns on all sides of this House—I was not asked to come to Parliament to stand in my place and say to the Prime Minister: Mr. Prime Minister, you are such a wonderful person, what are you going to do for Canada today?

I was not elected to do that. I am sorry. People have difficulty with that and I think the people that have the greatest difficulty with that are members on the government benches.

• (1600)

I say that with great sincerity. If we transcend the boundaries of proper wording, conduct and behaviour, it is obviously left to the Chair to bring us back to order. However, let us not portray ourselves as individuals who come here, stand in our place with hand on heart and say in monotone voice: "Well, you know, what can you do for Canada today? That is just not the way it is. Each member is different".

Many members on our side of the House have great fluency in the English language. That is something I do not have. A number of members have great fluency in the French language. That is something I do not have. However, I am duly elected and am a representative of my people, as all of these members are. Mr. Speaker, as the arbitrator in this great Chamber, you must acknowledge that as a fact of life of the process of democracy and representative government.

The motion before us today is in response to certain recent happenings in this House. I have been a member of this House for well over 10 years and have seen previous occasions where tempers have flared, behaviour was unbecoming, words were exchanged, withdrawals

took place, et cetera. However, to suggest and imply that rules are being continuously broken every day, that no co-operation exists between opposition parties and that the government on various pieces of legislation is just not true.

Perhaps myself and the parliamentary secretary should be holding press conferences along with the House leader of New Democratic Party to tell them how we have co-operated on different measures. If you were listening to members opposite you would think that we co-operate on nothing, and that is not true. Mr. Speaker, you must know that and understand that notwithstanding the comments which may have been written in different newspapers and made by different individuals there is a fair amount of co-operation.

We as a party are not opposed to the thrust of this motion. There is a line of acceptable behaviour and in recent weeks it has been crossed by two government backbenchers, and there have been other incidents involving members from all political parties. We believe that we have to do something about it before the problem grows.

In light of these events in this Chamber we have to send a message to our electors that we are aware of the need for ameliorating our conduct and that we will act on it. No one disputes that we are expected to behave in a civil manner. Indeed our constituents expect it of us. However, they simultaneously expect us to defend their interest with passion and conviction.

If the hon. member for Broadview—Greenwood comes into this House as a new member and stands on the floor of this House of Commons to make a case for a refugee or a small business person or an individual who is unemployed and does it with conviction, as he normally does, and with great flamboyance, so be it. No Speaker of this House should deny that member that particular right and no governing party should try to restrict a member in the expression of his or her views on that subject matter.

We would be remiss in our duty if we did not relay the fact that what goes on in this House is adversarial. It is an adversarial process. This is not a high school debate; it is an adversarial process. That is what we were sent here for, and we in the opposition are expected to do our best in holding the government accountable.

I know the government House leader agrees with me on this because he made this very point on June 13, 1980, and I quote from *Hansard* at page 2082:

> Given the nature of this Chamber where we face each other two sword lengths apart, if members shout order at us we will respond in kind. We will shout order back. If they refuse to answer questions or if they abuse the Question Period you can expect that we will respond in kind. That would be only natural. If we were to do anything else we would be failing in our responsibility as an opposition to keep the government in check.

The government House leader was politically correct in 1980, and I suggest that stands today on October 23, 1991. Although we have profound differences and struggle with each other in debate daily we should not cross the threshold to personal attacks. That is counter-productive to the work of this place. That is what makes Canadians unhappy and cynical with their elected officials.

That being said, we on this side of the House have a few questions and worries pertaining to the motion itself. The government wants the House to limit excessive partisanship. The question that then arises is: Who will define excessive partisanship? If the Chair is expected to it could result in the immediate loss of confidence in the Chair. The Chair would be in fact choosing a side or, as they say on the street, lining up with one of the parties.

I cannot stress enough the importance of the independence of the Chair. When a member of this Chamber wears the black robe of impartiality he or she is the only member of this House whose non-partisanship is required. The call on partisanship is not to be left to the Chair. As I have said that would leave the Chair open to accusations of partisanship itself.

I am concerned by another omission in this motion. That is the explicit wording of the deplored use of sexist and racial language. That is not only beyond the realm of heated debate turned personal but is the realm of uncivilized barbarism. The politics of hate is an enemy of this Chamber and all humanity and must be confronted and stopped.

Just because we are in this House does not make us immune to those traits of society which are unacceptable. First, we have to mend our own ways. Second, if we do cross that line between intense political struggle and

abusive behaviour I have complete confidence, as does my party, in the Chair's ability to enforce the rules of this Chamber accordingly.

Despite what the government House leader thought in 1980, he often complains of raw partisanship on the floor of the House. I for one prefer to be shooting words across the floor than bullets across a square. I would rather be wrestling in inflammatory debate than be beaten to the ground by a billy stick. I would rather be face to face in this Chamber with hon. members opposite than face to face with a tank.

No one said that democracy was easy. However, the struggles here in this House are infinitely preferable to the alternatives. We have a great institution in this country, many say a model for modern democracies. Canadians should be proud of their political traditions. We have to work to clean up our act so that we never have to contemplate those alternatives.

The system may not always work to perfection and it may not present a pretty picture, but as Sir Winston Churchill once observed: "Democracy is the worst form of government except all of the others".

In conclusion, we as a party support the basic thrust of this motion. We believe sexism and racism should be specified. We believe our confidence in the ability of the present Speaker should be clearly expressed. I move:

> That the motion be amended by deleting all of the words after the word "offensive" and by substituting the following therefor:
>
> —including sexist or racist language or gestures directed at other members, either during Question Period, debate or otherwise in the Chamber; and
>
> That this House confirms its support for Standing Orders 16 and 18, and other Standing Orders and practices of this House regarding decorum and reaffirms its confidence in the Speaker's ability to enforce those rules and practices vigorously.

• (1610)

Mr. Speaker: Continuing debate, the hon. member for Kamloops.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, first of all I would like to say at the outset as the amendment indicates that we too have full faith in the ability of the Speaker to manage the affairs of this House appropriately.

Some hon. members: Hear, hear.

Mr. Riis: We want to congratulate you on your excellent work, Mr. Speaker.

I want to begin my remarks by saying that I have listened carefully to the government House leader's comments and certainly do not question his motive. I believe that his intentions regarding this motion were indeed honourable and that he means well.

I must say that he has absolutely and totally missed the boat. If the government House leader really believes that changing a rule or two in the House of Commons is somehow going to transform this place into a corporate board room where everything is done very businesslike and with a very clear agenda with little partisan debate, he is dreaming in Technicolor.

Can you imagine politics in the House of Commons?

An hon. member: Talk about dull.

Mr. Riis: We have partisanship in the House of Commons. The House is set up with the government on the right-hand side of the Speaker and the opposition parties on the left-hand side of the Speaker. It is set up in such a way that it is a confrontational situation. It is little wonder that the debate in here is often very aggressive and very focused on critical comments directed at the government. So it should be.

With all due respect, and without questioning the motive behind this motion, I think the government House leader simply has failed to understand what it is that frustrates Canadians about this place.

I must say that from time to time the behaviour could be improved. Sometimes the antics can be inappropriate. It is with some sadness and regret in my heart that I recall incidences in the last few days of racist and sexist remarks and rude and crude gestures made by certain members on a certain side of the House, which we were all disgusted with. We found them to be completely inappropriate and were disappointed that no action was taken by the respective leaders of the parties. I was very proud of the fact that when this was taking place our leader made it very clear that she felt that it was a responsibility of the leadership in the caucus whether it is the leader, the House leader, or the Whip to ensure that the appropriate behaviour takes place. When that appropriate behaviour is transgressed and members are found to be behaving inappropriately action must be taken.

It is clear what action should be taken. People can be removed of their positions and others. It was a sad day in this House when some of the rudest comments made by members were passed over in a rather casual way by the leadership of the caucus.

I think we missed an opportunity at that point to ensure that we take this place seriously and do not condone that type of behaviour. Unfortunately it was a missed opportunity.

There is no question that there is an element of frustration in this House from time to time and it is reflected in the country. My hon. colleague quoted from the Citizens' Forum on Canada's Future or the Spicer commission, and I noticed that his comments were very selective.

I want to ask the government House leader to turn to page 131 where it says:

> As a result many participants felt betrayed and bereft and are confused and angry. Part of this is due to their sense that traditional Canadian values are being usurped by anonymous market forces and that governments are doing nothing to deal with these. Governments are in part responsible for these fears which we believe come from misunderstandings that governments must clarify or continue to pay a heavy price for as will our country.

In other words what the people of Canada are saying is that this place is not responsive to their needs. When we found ourselves involved in a crisis such as the Desert Storm situation, there was no debate in the House of Commons reflecting the people of Canada as to the appropriate role that Canada should play. That was presumably made in secret by some group.

When the Oka crisis was upon us was there a debate in the House as the appropriate course of action? No. Again decisions were made on behalf of the country in secret. When it was decided to cut back on critical passenger rail service was there a debate in the House of Commons on the appropriateness of these measures? No. It was done in secret by the government.

I could go on and on identifying item after item why people of Canada have felt frustrated, why people of Canada have felt that this Parliament of theirs is irrelevant. There is not a better example than the goods and services tax. Here was a tax that was going to touch the lives of every single Canadian from small children to elderly citizens virtually every day of their lives.

When other governments imposed taxes, they took action when they heard from the people of the country in terms of their concern and their outrage. They responded with some sensitivity.

The United Kingdom in its wisdom at one time decided to impose a poll tax. The reaction was what one would predict. It was an extremely heavy reaction against that initiative. The government listened and the House of Commons and the House of Lords debated the issue and the government decided to back off from that tax. It listened to the people.

In Japan they imposed their version of the goods and services tax. There was a strong outcry and they said it was a wrong move and they backed off in part from this goods and services tax.

Have we heard a shred of sensitivity from the government in terms of what this GST is doing to our country and to the people of Canada? Unfortunately no.

I suspect that is why the people of Canada are so frustrated. That is why they say their politicians have betrayed them. What they mean is that the Government of Canada has betrayed them, the members of the government have betrayed them.

We have seen in recent days, indeed in recent weeks, that when people have been given the opportunity to show what they think of their governments they have changed their governments dramatically. In Ontario, British Columbia and Saskatchewan, to give you the most recent examples, they changed those governments when they had an opportunity because they felt they had been unreceptive.

• (1620)

I do not think the government House leader understands the problem if he thinks that by enforcing a couple of Standing Orders it will somehow magically change this place. Again I say I do not question his motives, but I do not think he understands the problem.

The problem has been the inability of this government to respond to the needs of the people of Canada. It has imposed upon them a corporate agenda that they find alien and reject, yet the government shows no sensitivity to the errors of its ways.

Another reason for the frustration in this House is the unprecedented use of closure or various forms of closure. The government has imposed forms of closure to muzzle members of Parliament and closed down debates at every stage of some bills, the GST and the free trade agreement being the most obvious.

In the annotated Standing Orders on page 22 they provide members of Parliament with a little history about the use of closure or the limiting of debate on issues. They say that one occurred in 1913 over the naval bill. Nothing much happened until 1956 during the pipeline debate. Again closure was used, but we have now seen closure as a regular event. Introduce a bill and, if it takes more than a day or two at a certain reading, the government just gives notice of closure. It has changed the Standing Orders to make it even easier and debate is then brought to an end. No wonder members of Parliament feel frustrated and at times perhaps lose their tempers.

I would now like to mention the committee system. Committees with the odd exception are almost a waste of time. Members of Parliament often work very hard, and time and time again the government simply ignores their recommendations and all the work that has been put into those committee meetings.

I want to say that if there is a behavioural problem in this House we have to accept responsibility. We do not have to blame you, Mr. Speaker, and that is what this motion does. This motion is sort of a subtle way of storming the chair. Granted we are not up there as we were—and I remember that day vividly—sitting right back there, Mr. Speaker. I remember the day and it was one of the saddest days of my life. Members roared up to the chair, banging and shaking their fists in the Speaker's face. I remember that day.

This in a way is another form of that. This motion says that you are not doing your job properly. I say that we do not accept that. We do not accept that.

If we are looking to place responsibility, whether it is an organization, a club, a firm or a business, the person at the helm sets a certain tone. If you have a good club, Mr. Speaker, you probably have a good club president; if you have a very effective firm, you probably have a good president of that firm; if you have some organization that is really doing its job well and accomplishing a great deal, it is likely because of the certain tone that president or that chairperson sets.

Who is it that sets the tone in this House? It is the Prime Minister. It is the Prime Minister. It is the government House leader. He sets the tone. He is the one during Question Period who decides whether to respond to questions or not, and therein lies a great deal of frustration.

Yesterday during Question Period a member referred to the news media saying that our Prime Minister was being considered for Secretary-General of the United Nations. In good faith the question was put to him: "Have you agreed to let your name stand for that position?" Did he respond then to a serious question, a question that was on the minds presumably of every Canadian? No. He skated around the issue, a little bit of theatrics, a little bit of fun back and forth with the Leader of the Opposition about how hopeful he was for an election coming up, and so on.

People watching that exchange would be frustrated and would ask: "Why doesn't the Prime Minister answer the question?" There is an element of frustration out there that is unbelievable against our Prime Minister. Going back to the Spicer report, the government House leader did not read it all or at least he did not quote it all. The last page of the Spicer report, page 168, concludes with the views of Canadians on the Prime Minister's leadership. Virtually 100 per cent of the letters and the phone calls were negative toward him. The graph on this page is almost unbelievable. One hundred per cent of the respondents had little or no faith in the Prime Minister. Therein lies one of the reasons for the frustration felt across the country and in this House because we are the people who represent that frustration.

My friend, the government House leader, says we should all behave here like gentlemen and indeed we do mostly.

Ms. Clancy: Excuse me.

Mr. Riis: Gentlepersons.

An hon. member: Excuse me.

Mr. Riis: Gentlepeople. When I go back to Kamloops and talk to my constituents they say: "Nelson, go down to the House of Commons" and I cannot repeat what they suggest I should do. They are not suggesting that I simply stand up here and act in a very quiet way, trying to be positive and compliment the government on all of its

great initiatives and adding calmly to some suggestions. Oh, yes, they probably expect me to do that from time to time, but they suggest what I should do when I get down here and confront this Prime Minister and what I should do when I get into the House of Commons to raise issues of concern to the people of Kamloops. I could not do 98 per cent of the things they want me to do. That is how strongly they feel, how frustrated and how angry they feel, and it is reflected in this place.

I simply want to say as we address this motion that we can improve our behaviour and there are ways and means of doing that. I suggest that the most appropriate way is to take responsibility ourselves and expect ourselves to behave not necessarily in ways that are non-partisan because this is a partisan environment. We should not personalize our debates. I agree with my friend, the government House leader, when he says that we can hold strong views but we ought not to personalize our criticisms. We all agree with that but, for goodness sakes, let us not act here as though this is the corporate board room. Let us not act as though we all agree that what is going on here in terms of the various agendas and the various legislation is appropriate. There are a great deal of items the government introduces that we think are absolutely wrong. We oppose them and propose what we feel are good alternatives.

Partisanship is a reality and it should be. After all, we are elected and represent different political parties with different ideologies, platforms and philosophies. It would be a sad day if we all came in here and simply agreed with everything that the Prime Minister brought forward as the terms of an agenda.

As I say, we have to take responsibility ourselves and expect members of Parliament not to use sexist language, not to use racist language, and not to participate in obscene gestures. If that actually ever occurs again the leaders of the various caucuses should take responsibility and deal with those individuals. That is the way to deal with this. We should not ask you to enforce a particular Standing Order because we feel you do already. You make a judgment call. You are elected to serve all members of the House from all sides and are not here as a mouthpiece for the government. We feel that you do the job extremely well. As a matter of fact I have yet to recall a single media report to the contrary. There have always been very laudatory comments and statements made regarding the Speaker of this House.

I want simply to conclude by suggesting that with all due respect to my hon. colleague the government House leader I think he has missed the boat totally. He thinks that by suggesting that we change the rules a little somehow this is going to change deportment in this place. It reminds me of a school teacher suggesting that people wash their hands before they have their lunch. That is fine. It is probably a good idea, but you must want to do that and it must be part of your behaviour. You do not do it simply because your teacher tells you to.

In closing I want to acknowledge that while we support the amendment put forward by the Official Opposition I want to amend that.

• (1630)

I move:

That the amendment be amended by adding the following words after the word "Chamber":

That the party leaders, House leaders and Whips be responsible for the comportment of their caucuses,

And by adding the following words following the word "vigorously":

That this House express its continued support and appreciation to the Speaker for his excellent guidance of this Chamber.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to speak in support of the sub-amendment tabled by the hon. member for Kamloops. First of all, I would like to join the hon. member and all members of this House in saying that we realize that the Chair has a difficult task but that we are absolutely confident that you, Mr. Speaker, in the performance of your duties, will rule fairly, and that you will strive to maintain the kind of order which I believe is essential in a House that functions properly. A Speaker must maintain order.

And now we have before us a motion about procedure which is, I would think, easy to understand and which is intended to set certain limits and impose certain rules and perhaps strenghten certain others, to make the House a more normal place and a place that from the public relations point of view is more acceptable to certain people. If we look at Beauchesne's Sixth Edition, Mr. Speaker, it is almost impossible to define specific rules on offensive accusations and sexist or other com-

ments made by members here in this House, from time to time, something which I totally deplore.

From the procedural point of view, Mr. Speaker, it is not easy for the Chair to put in place some kind of disciplinary system that would prevent members from using such unparliamentary and reprehensible language. I agree that the Whips, the House leaders and party leaders have an obligation to enforce parliamentary discipline among members of their caucus.

What I wanted to say to the hon. member for Kamloops is that we have a problem as far as deportment is concerned. It was Charles De Gaulle who said, as several members mentioned today, that we are elected by universal suffrage. My reason for wanting to quote Charles De Gaulle is not to use what he said as an excuse, but I think it is quite true. De Gaulle said that universal suffrage is not selective but reflective. This House is a reflection of the Canadian people. And Canadians don't like the behaviour of certain members and they don't like sexist or vulgar remarks.

Mr. Speaker, I wonder whether instead of using Beauchesne's and the list of expressions deemed unparliamentary that is sometimes used by the Chair, we could perhaps have an almost immediate decision in cases where a member uses abusive language, in order to deal strictly and severely with members who use language that I would call "inappropriate".

I would have a question for the hon. member for Kamloops. I have been here for 19 years. Televising the proceedings of the House and committees shows that members sometimes behave in strange ways when the TV camera is turned on them while a controversial political question, perhaps charged with partisanship, is being discussed.

I would ask him whether he does not agree that television has had an effect, I would say a dramatic effect, on debates in the House. Television has brought about changes that in my opinion have caused the climate in the House to deteriorate. In many cases, we have become TV performers. Some members have a strong oratorical tradition and are good speakers—they can steal the show. Others, like me, are not steeped in that oral tradition.

I ask the hon. member for Kamloops whether he thinks that our experience with television in this House should be repeated in the committees. Does he think that televising committee hearings will improve debate or will it just lead to more deplorable behaviour on the part of some members?

It is important, it is a current issue, Mr. Speaker, because it concerns our public image and I would not want us to begin or leave this debate today without paying particular attention to the possibility of televising committee debates.

[*English*]

Mr. Riis: Mr. Speaker, I appreciate the question from my hon. colleague.

Television has certainly changed people's impressions and reflections of this institution. I do not know if I necessarily agree with him that television has changed behaviour in this House. He has the benefit of having been in the House before television and after television. I have not had that opportunity. I have only been here since television was introduced into the House. I have taken the opportunity read a lot of the old *Hansards*. When you read the old *Hansards*, you certainly get the impression that this was not necessarily a quiet Chamber, that debate was pretty tough actually from time to time.

I am not certain, based on the evidence that I have seen by looking at *Hansard*, that there has been a change. What has changed is that what happens here, as the government House leader has indicated, is to a certain extent in the living rooms, dens and bedrooms of Canadian homes from coast to coast to coast. I think that is the reality. People are actually watching this as it takes place today, when years ago they may have read an excerpt in some newspaper or some periodical or journal. That is a reality.

People who have spent a lot of time in this Chamber know that 99 per cent of the time spent here is very business-like. The exchanges are very positive. They are very respectful of different points of views. From time to time they get a little rambunctious. That probably only takes place half of 1 per cent of time, if that. That is, of course, what often gets the television coverage on the news that evening or the next day, therefore, to a certain extent people get the wrong impression. Also, people listen in on the debates.

I think back to that period when a lot of cabinet ministers were being accused of doing things and some had to resign. Again, all the people who were watching were reminded time and time again, day after day, about the misbehaviour of the cabinet ministers and how they had either been dipping into funds, inappropriately or not, were being charged with this offence or that offence, et cetera. I believe that has been part of the change.

I agree with my hon. friend that television has certainly had an impact on people's perception of the House of Commons. I do not know that it has changed our behaviour. I am not certain that we even appreciate or know that the cameras are on us as we speak here most of the time. It is to be expanded to committees, which I support. There are a lot of excellent committees and work that they do that people ought to be aware of.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have listened not only to the previous speaker, but to the two speakers who preceded him. I want to interject from my Olympus of being around here for 17 years going off and on that if we take the motion at face value that the hon. House leader for the Conservative Party has put forth, I want to go on record with you, Mr. Speaker, and with all members of this House to say that I wholeheartedly agree with the spirit of what he is proposing here today.

• (1640)

I think it is about time that we did grapple with this very important issue. Every speaker who has stood in this House so far has said, yes, there is room for improvement. One of the speakers went so far as to say that television is an entertainment medium. I would go further.

Television has become the most powerful tool for communication that we have ever devised. I believe that television is a good thing for this House. Yes, perhaps it has shown the worst aspects of what we do in here, but it has potential. It does have the potential to show us at our very best.

When we debate in here, we are the highest court of the land. I cannot imagine for example a lawyer appearing before a judge and having the lawyer and judge shout back and forth at one another. I know this is not a court of law. I know we are not just a debating society. But we are after all the spokespersons for all Canadians across this land. We must always remember that.

There is a basic difference between wit and boorishness. Yes, we should comment on what we have to say. Surely, we should attack each other's ideas. We should not be attacking each other.

Some of the speakers have said that they did not come here to be polite. I do not know if they used that word. They did come here and we have come here to be thoughtful spokespersons for the people whom we represent. We owe it to them, we owe it to ourselves, we owe it to this institution and we owe it to our country.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do want to participate in this debate. I want to begin by saying this. This is not a new subject for the House, but I think this is a new way of addressing it.

So often we get into this debate and this issue, but we do it in a way that puts us not so much by our nature but by the nature of the debate into a position of combating one another.

What I mean by that is when we normally talk about decorum or behaviour or attitudes or heckling or something that happens in this House of Commons, it is because we are responding to the issue of the moment. In other words, there is a point of order or a point of privilege because of language or behaviour or something that has happened in the institution and as a result we are here pro and con debating those issues. As a result of that, it is often done in a moment of passion rather than a moment of reasoned thought.

What I think is distinct is that what we are doing today is discussing an issue that is important to us as individual members, is important to the collective respect that this institution has and is important to the Canadian people.

I have been listening very carefully to the debate and the discussion that has gone on. I want to say two or three things. The first thing I want to say is I listened to the remarks of the New Democratic House leader. I have to say that I am disappointed in them. I am very disappointed in them in this sense. The hon. member as I listened to him, if I could digest his argument into my own words, stood up and said that the reason that we have vulgar language, racist language, sexist language or

other offensive language in this House is because of the government.

My constituents do not believe that. My constituents have disagreed with me and some of the positions that I have taken on regular occasions. They also have said to me on a regular basis: "It is all of us. It is all of you. You are like a bunch of children". They may be angry with me over my position on an issue like the GST and they want to discuss it with me in the strongest possible terms, but they also understand and were very much offended by the kazoos and the hollering and the name calling that surrounded that debate.

In other words, they understand differences of opinion and respect that, but they do not expect nor do they respect name-calling and abusive and offensive language in our relationships and our debating with one another.

I am disappointed that this is the tack that the House leader for the New Democratic Party has chosen to take.

I want to touch momentarily on the remarks of the House leader of the Liberal Party. My hon. friend is a very effective debater. He makes his case well and presents his arguments in a very thoughtful, decisive and persuasive way. But there are two or three points I want to make about his remarks.

The first one is what he said concerning the third paragraph of the particular motion we are debating and I want to quote it into the record: "Canadians have expressed alarm at the excessive partisanship and lack of decorum and civility too often in evidence in the House".

His concern was that this motion is calling on the Speaker to determine what is an acceptable or non-acceptable level of partisanship. I want to disagree and say very categorically and clearly that that paragraph does not say that. It says it is a reminder to us as members of Parliament that Canadians have expressed alarm at our excessive partisanship. It does not call on the Speaker to determine acceptable or non-acceptable levels of partisanship. It says very clearly that we as members need to be conscious of our behaviour and to behave in such a way that is not excessive. I think the Canadian public is capable of deciding what is excessive and I think in fact they are doing that on a daily basis.

Second, I was listening very carefully to my friend's arguments. For a period in his remarks he seemed to imply to me, and I think to the people who are listening to the debate, that the absence of heckling, the absence of name-calling, the absence of aggressive or offensive language, is a monotone, is boredom. It is somehow namby-pamby.

That is not the case at all. The opposite of those very things that Canadians find offensive in this institution in our behaviour is very clear, well articulated, thoughtful debate. My friend from Welland Canal just said that very clearly in the words that he expressed to this House of Commons. People do not want us calling each other names because we disagree on an issue. They want us to debate the issue. They want us to as effectively and as clearly and as strongly as we can express the two sides of the issue.

I am sure as I listen to the House leader of the Liberal Party that he understands and in fact supports the need for all of us to examine our behaviour when we participate here in this House of Commons, but I wanted to make that distinction. I do not want it in any way left on the record, either directly or indirectly, that the opposite of heckling and abusive language is somehow namby-pamby behaviour. It is not. It is very distinct and it is very different.

Third, I want to say this. Looking at both the amendment and the subamendments that have been put forward on this particular motion, there seems to be a concern that the motion before us today is somehow in some way designed to be a reflection on the Speaker, or the Speaker's ability to maintain order and decorum in this House of Commons.

• (1650)

I think it is very important that I address that. The words that are in the motion are words that were chosen very carefully. If anyone looks carefully at the last paragraph, it says that this House supports the Speaker's vigorous enforcement of Standing Orders 16(2) and 18 particularly, and so on and so forth.

It is an expression of support for the Speaker to maintain order and decorum in the House as the Chair of this institution, as the chair of a committee, as the chair or leader of any kind of debate or issue, it is the

role of the chair. We support that. We encourage that, and that is what we are trying to do in this motion.

The really operative parts of the motion, the most important elements that we have in front of us here today are the parts that say to us as members of Parliament: pay attention. What are we doing?

It is saying that Canadians have expressed alarm at our excessive behaviour. It says that this House recognizes disruptive behaviour and verbal interruptions including abusive language lead to a depreciated or a deprecated view and respect for the institution of Parliament and its members. In other words, the whole thrust of this motion is calling on us as individuals to reflect on our behaviour, on our language and on our attitudes.

I want to say this. I remember an experience I had when I was first elected in 1980. There is family at home, Ralph and Billie Good. Ralph and Billie have been like second parents to me. I have known them since the time of the cradle. I spent as much time at their kitchen table as I think I did my own parents. I grew up with them. Their son Ian is my best friend. We have been that way since we were born.

Something happened that I thought was very significant and I have never forgotten it. Shortly after I was elected in February 1980, in fact the first Saturday thereafter, Wendy and I went out to their place for dinner and the usual game of Rummoli. I say usual because we often did that on Saturday nights. That was something that Wendy and I did with Ralph and Billie. It was a time of fun. We had a great time together. We were friends, and we enjoyed that experience.

The first Saturday after I was elected, I had not even come down to Ottawa. I had not been sworn in yet. Albert Cooper was still Albert Cooper, a small town boy from Grimshaw. There was no change, but I went out to Ralph and Billie's that night and you know, Billy started bringing out the good china. She started putting the good china on the table. I said: "Whoa stop, Billie. I am still Albert. I have not changed. That date of February 18 has not made me any different. Please put the china away. I want what we have been eating on for the last five or ten years."

I tell you that story because I think it paints a picture of what Canadians expect and want of us. My friends Ralph and Billie, who have known me all these years, just because I had become elected to the House of Commons suddenly put me in a different category. It was not a category I was comfortable with. It was not a category that I wanted to be put in, but suddenly Ralph and Billie recognized that there was something different about me. There was something special about the job I had now obtained and what they wanted to do was to put me on a little bit of a pedestal.

My point is this. When we are called to the House of Commons to debate some very difficult issues, we are not called here to be street fighters. We are not called to be a bunch of children in a playground who get our way by bullying, pushing, shoving, screaming and calling people names. That is not what they want of us.

What Ralph and Billie want of me is to act in a way that brings dignity to myself, but reflects well on my friendship and relationship to them. They want to be proud of me. That does not mean I come in here and just let everything go on around me. They want me to fight hard for the Peace River riding, for my constituency. They want me to be aggressive, but they do not want me to be abusive in my language or to call someone a name just because I disagree with them.

What they want is for me to clearly and as best I can articulate the concerns of my constituency, but not in a way that destroys the dignity or in any way demeans my political opponents. They too have been elected as my friend has just said to the highest court in the land.

We are faced with a very serious reality in this country. There has been several references made to the Spicer commission. The Spicer commission was a lightening rod for a lot of feelings and attitudes in this country. It wasn't only the Spicer commission, I think every member of this House knows that when we go home to our ridings we are told regularly that people are sick and tired of us being childish. They are not sick and tired of us debating issues in an aggressive way, but they are sick and tired of our childish behaviour. They want us to clean it up.

My argument before this House is that we have to clean it up. We are living in a time when there is very much a diminishing of respect for the House of Commons and for those of us who are members of it. And yes, it is at times very much pointed at us as individuals but very often it is pointed at us as a collective group.

Canadians think that the problems we face in this country today are serious problems. They know they are serious because it affects them every day. When we come in here and diminish debate by turning it into an exercise of name calling, what we are really saying is: "I can't substantively put forward your position, so therefore what I am going to do is I am going to beat down the person who disagrees with me by calling him names". It is the kind of thing we did as children in playgrounds. Do you remember the expression: Sticks and stones may break my bones but names will never hurt me? The trouble is that we tend to forget that lesson. We come in here and exercise the same behaviour.

I do not believe this is a partisan question. I do not believe there is a distinction between government minister or backbencher or members of the opposition. We are all guilty of this behaviour at one time or another. I had better say this though, Mr. Speaker, there are exceptions. There are people who have managed through very long careers in this place to maintain their dignity and to not stoop to name calling. I am not one of them. I have been here 12 years and I have on several occasions lost my temper and called people names, said things that I have later regretted. But the truth is that it did nothing for the institution, it did nothing for the debate, it did nothing for me personally and it certainly did nothing for my constituents. But what it did do was to cheapen myself in terms of my own perception and certainly in the eyes of my colleagues.

The Canadian public are now saying to us that they want us to clean it up, they want us to come up out of that level of debate and come on to a higher plain, and they are demanding it because of a number of things. First, the problems we face in the country today are serious. They feel it. They know they are serious. Second, because of the television cameras, my people see what I do today. They do not read about it in the paper two or three weeks later. They know now what I have done and so they judge me instantly. As a result of that instant judgment they want an instant improvement in my behaviour.

There is a new reality. I do not think it is as a result of television cameras, but it is as a result of that new technology. People now have much more access to us as individuals and us as an institution than they had 10, 15 or 20 years ago. Today we arrive in their living rooms on a daily basis. It isn't what they can read, it's what they can actually see. It is not somebody describing our behaviour, it is them watching our behaviour. As a result of that, they do not blame it on anybody else but they put the blame where it belongs, which is right at my feet, and they are saying to us: Clean it up.

Mr. Speaker, I do not know how much time I have left. I did not notice when I started, but now I see that I have about two minutes. The motion before us is an important motion. It is not because the words are absolutely perfect. It is not because of how we end up deciding it. It is because it allows us as individuals to do two things. First, to examine our own behaviour, that is individually as well as collectively.

• (1700)

Second, it affords us an opportunity to say to the Canadian people who are watching the debate, who are interested in the subject and interested in this institution, that we as people involved and elected, as my friend says, to the highest court in the land, are listening to them. We are taking them seriously.

I think it is a very important debate. I think it is a very healthy debate. As I have said, it calls on all of us to come out of that lower plane of debate to rise to the occasion, to be articulate, to put forward our arguments as best we are capable, to make our colleagues, our family and our constituents proud of us. It is not because we manage to make it on the national news tonight by calling someone a name, but because we reflected a kind of dignity that sits well in this House and makes Canadians want to aspire to be members of Parliament.

My time is up. I do want to say this. The motion before us is important. I would encourage all members of the House to support it, not only in our votes because that is secondary, but much more in terms of our behaviour. We need to demonstrate to Canadians that I have dignity or I have respect for the dignity, the ability of my friends across the aisle. That is what my constituents want to hear from me. They want me to disagree with them, but they also want me to send a message to them that says that the people who are in this House are the people who have been picked by Canadians because they can represent their concerns in the finest traditions of this institution.

I appreciate the time I have had to participate in the debate. It is important and I look forward to the comments of other colleagues.

Mr. John Brewin (Victoria): Mr. Speaker, under comments and questions. I appreciate this is a very difficult debate and we do not want it to get out of hand. I have great personal respect for the member who has just spoken. He and I and perhaps the member for Winnipeg North all need from time to time to be put on a pedestal, given that we share certain stature. I also know him to be a fine person.

Yet, I have to say that the direction of his comments or arguments, along with the government's line of attack or line of defence in this thing, I find, and I say this with the greatest respect, personally and truly offensive because I get no sense of understanding about the nature of the offence that was committed in this House with racist and sexist comments. That is the first point.

Second, there is no sense of collective responsibility on the part of either the Conservative Party or the government for its responsibilities here.

Let me say this first. All parties, all individuals have elements of racism and sexism within us. No party has the corner on virtue. What is a test from time to time is how we collectively respond when racism or sexism comes forth. I would like to think that we as a party have tried to deal with it in various ways, but I do not hear the government accepting responsibility for its response or reaction when these things occur.

There has been no reaction by the government to the individuals, what we have seen or the public has seen, to sexist or racist comments. In fact, they are defended, not in their particular, but the individuals are defended and are still in the same place. We see no initiatives coming from the Conservative Party or the government as government for dealing with these matters or any sense of understanding about the offence that has been committed. That takes me to the second part of my comment.

The member has equated racist and sexist remarks with name calling.

Name calling against an individual is to be deplored. We all share the understanding of the need to bring that under control in this and the member's arguments that that needs to be brought under control. However, racist or sexist remarks go far beyond bringing an individual into disrepute or damaging or wounding an individual or, in that sense, demeaning the whole institution by tactics of that kind. Racist and sexist comments bring a whole group in our community into disrepute and they bring groups in our community which are vulnerable into disrepute.

We see and know the impact of that vulnerability daily in the hurt that it does. So this institution, as Parliament, must respond far more effectively than it has to racist and sexist comments because we are supposed to be, as the member pointed out, the highest court in this land. If we do not get our act together, if we are not seen to deal swiftly and effectively with racist and sexist comments, if in fact the government fails to understand it and equates it with personal insults, fails to understand the damage and hurt it does throughout this whole land, then we are failing collectively as Parliament.

The government, by taking the response that it has to this, fails as government. That is not a partisan remark because, as I said at the outset, no party has a monopoly on either virtue or on sexism or racism, but it is how you respond. This government has brought itself down, I say, in the eyes of the people of Canada by its failure to respond to the remarks that have been made in this House.

I would ask the member if he would just simply at least accept, on behalf of the government, some responsibility for acting and indicate that he understands the distinction between racism and sexism on the one hand and mere name calling on the other, disreputable as that may be.

Mr. Cooper: Mr. Speaker, I want to thank the hon. member for, as I see it, two questions that I want to try and respond to.

The first question is the equation of sexist and racist comments with name calling. I am not sure that I can address that in the way that I want to. I am not sure I can express myself well enough to get across what I want to say.

I understand the hon. member's argument that there is a distinction between name calling and sexist and racist comments. I understand that. Another category is reflections on a person's faith. Those kinds of comments that lump people into groups and somehow demean those groups, I understand that. I guess my problem is, and it leads into the second question that he raised, and that is what about the government disciplining a couple of

members, or what about the leadership of his party disciplining a member in their party and so on.

It really boils down, I think, to this, and that has been a difficult question for me. It is not one that I was able to, in my own mind, resolve quickly. We can handle this whole issue, as I see it, in largely two ways. There are various splinters of that, but I think there are two ways.

The first way is that we can define some hard and fast rules and then enforce them. The problem with that is that you then get into all sorts of legalities and all sorts of definitions. I am not sure that that works. I expressed to someone from his party just the other day when we had a discussion about this that we could go to a rule that would say that if somebody uses sexist, racist, you could list the Charter of Rights, any of those comments, and if we were to then say that that individual should be removed as a ministerial parliamentary secretary, a critic for an opposition party, what would of course happen because of the nature of this institution is everyone would be sitting around with their little hit squads waiting, and as soon as they had an opportunity they would jump. We would have had the case of yesterday of a member saying someone is a hypocrite, us demanding his resignation as critic of that party. It might work, but the danger is that it puts a legalistic solution that can never be complete and encompassing and replaces it with something that I think is more difficult but is actually in the long term the better, and that is the question of attitude. If we as individuals in this House respect one another with the dignity and an acceptance of their quality as individuals, if we can rise to the spirit of that, then we solve our problem

• (1710)

I think that is what personally I want to do and that is I think we as a House need to look at.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened attentively to the member's speech. I must tell you that first of all I have a tremendous respect for his words today. I have found over the three years that I have been in the House that his actions are consistent with his words. When I listen to him, I take everything that he says with sincerity.

I want to ask the hon. member a question. It is more along a communications line. Does he not think that part of the problem that we are having in this House stems from a frustration factor that we on this side of the House experience? When we get up each day on behalf of those in our society who are disadvantaged, and who expect us to ask specific questions, tough questions of the government in order to make the government accountable, and quite often because of the power of proper packaging, a government member—and I am not referring to the hon. member—or a minister on the front bench can stand up and give an answer to a very specific question which is nowhere close to the question being asked. What we have in this House is a government whose communication skills are superior, their packaging skills are sharp.

Quite often I have seen this government, day in and day out, manipulate the national media, buying their answers which were nowhere related to the question. I am not excusing our reaction when it becomes overly frustrated on specific questions that we ask on behalf of the disadvantaged in our country, whether they be unemployed or a business on the verge of going under. I am not questioning, we should never ever lose it. I lost it today in frustration, and I am sorry I lost it. The NDP member referred to collective responsibility. I believe that this government quite often uses the power of proper packaging as a diversion to answering specific questions that we as opposition members put forward. I would like the hon. member to address that.

The Acting Speaker (Mr. Paproski): It would have to be a very short reply I would hope because you are over your time now, as far as questions and comments.

Mr. Cooper: Mr. Speaker, I wonder if I can get consent to answer the question, because I think it is a very thoughtful one.

Some hon. members: Agreed.

Mr. Cooper: I will be brief. First of all in terms of the government's superior communication skills, I am very flattered by that. I would argue that the results we are seeing today bring into question that assertion. I wish we were as good as the hon. member says we are.

The hon. member raises a very good point. I want to answer it in a slightly different angle than he presented it. The hon. member raised the issue of a question by an opposition member and an evasive answer from a minister causing anger and frustration. Of course that is true. We can reverse that. We can turn it inside out depending

on what our role or action is in the House at the moment.

Frustration and anger very much contribute to our behaviour in this House. That is why the whole question of decorum becomes so important as things begin to escalate, and we have all seen it. We start off with a good discussion and maybe a very good question and an evasive answer, or vice versa. Something starts to happen. The dynamics begin. Then we see the anger start to build and build and build. Pretty soon somebody is saying something they very much regret.

I have two points. First, if we start to treat each other with dignity and respect, which is what the Canadian people want us to do, we will diminish that. Second, anger, frustration and all those emotions that we feel do not justify us behaving in a way that is beneath the dignity Canadian people expect of us. I think that is what we have to get at.

There is no excuse. I could stand up and say some very abusive things because I am angry. That does not make it right. That is the fundamental question each of us has to look at.

The Acting Speaker (Mr. Paproski): There is another gentleman who wants to ask a question, the hon. member for Oshawa. If it is a short, brief question, I will allow it.

I do not want any anger in this House today. I hope that the hon. member will be brief and the hon. deputy House leader will be able to resolve the problem.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I will make it a quick one because I appreciate the member and the sincerity with which he has made his statement today.

Can he explain to me why two members in the last two weeks have said something in here that we all think was wrong and none of us could do anything about it?

Mr. Cooper: Mr. Speaker, the reason is that we have had a long-standing tradition in this House that when a member rises in his or her place and apologizes and withdraws his or her remarks we accept the word of the hon. member. That has been the case for a long time. Nobody is saying that offensive behaviour is acceptable to the institution. I do not think any of us believe that. We all want to rise above that. We have a long tradition and it is one that requires of us some discipline and some self-censure.

When someone in the House does something we collectively consider offensive we have some very subtle ways of sending signals concerning what we think of that behaviour. Traditionally that is the way we have resolved it in the House.

We are having a debate today and I am sure the hon. member will participate. He may have some other solutions. That is the tradition we have lived by and the one we have practised thus far in our institution.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I will be very quick. How would this present motion solve the problem of the use of such language? Will it help prevent the use of such language?

Mr. Cooper: No, it will not. What it will do, and it is already doing it, is draw our attention individually and collectively the seriousness of the problem. Only we can solve it. That is what I think we have to do.

The Acting Speaker (Mr. Paproski): We will now get back to debate with 20 minutes plus 10 minutes for questions and comments.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, on Tuesday morning, when I read the notice of the motion that we are discussing this afternoon, I was shocked that the government moved such a motion. That morning, I told our House leader that it was incredible that the government considered presenting such a motion.

• (1720)

Mr. Speaker, it is hard for me to understand why the government presented such a motion, even today, even after the speech by the minister and his parliamentary secretary this afternoon.

[*English*]

This motion is unable, as the parliamentary secretary has just said, to deal with the problem of offensive language in this House. It simply draws attention to it. It urges the Speaker to enforce the Standing Orders of this place but is not an amendment to the Standing Orders. It does not place any additional power in the Chair. It does

not propose any changes to the rules to make such conduct less likely.

I regret that the government has chosen to introduce a motion like this instead of dealing with the issue in a substantive way, for example, first raising it in the committee of which the parliamentary secretary is the chairman, the House management committee, and members on that committee coming up with some ideas as to how this issue might have been dealt with in a better way.

I must say that as a relatively new member in this place, having been here only three years, I was rather surprised that it was the government House leader who put this motion forward because I think it is fair to say, and I think members on all sides would agree, that he has been a very partisan and very aggressive member of this House. I agree, and I want it on the record, that he did not storm the chair. He invited me to his office to see the tape of that incident, and I was satisfied that it was he that was sitting in his seat at the time of the chair storming incident. Since my name is now constantly referred to as a witness to this event, I want to put it on the record that I agree he did not storm the chair in the famous alleged incident.

Having said that, he has been a very vigorous debater in this House over the years and has developed a certain reputation as such. To hear him mouthing the platitudes he did today about decorum in this House was quite amazing and I was somewhat astounded.

An hon. member: And losing it at the same time.

Mr. Milliken: The hon. member is heckling. I want to make it clear that I enjoy heckling and I regard it as very much a part of parliamentary debate. All too often we are told that, as we have heard this afternoon from the parliamentary secretary and the government House leader, heckling somehow is evil. In every case that the word heckling was used by the parliamentary secretary, and I did not check the government House leader on this, he also talked about either name calling or offensive language. That is what he said. He said we do not want heckling and name calling or we do not want heckling and offensive language. There is a big difference between heckling and either name calling or offensive language.

There is no place in this House for name calling or offensive language. I quite agree with him. However, there is ample place in this House for heckling. Indeed it is a legitimate part of parliamentary debate and has been so as long as this institution has existed, that is for well over 900 years.

If we as parliamentarians are trying to protect ourselves from the sharp barbs and questions that come out of heckling in this Chamber then we are doing a disservice to ourselves and to our country. It forces us to realize that sometimes what we are saying is nonsense and sometimes it is not true. I am using parliamentary words to describe those statements. I am not allowed to use words that some people use on the streets of this country to describe some of the speeches in this place.

I know that some of my constituents use stronger language with me on the telephone and occasionally in a letter use words—

Mr. Blaikie: Speaking about your speeches?

Mr. Milliken: No. They are usually describing other hon. members' speeches, not my own. However, the words are there and I hear them on my telephone or in discussion. They are on the list of words in Beauchesne's that I cannot use in this place. I respect that, and I think most members respect that and try to use words like "nonsense" instead of others that might come to mind. Members will not use the word "lying" with respect to another but will suggest that perhaps the member is not telling the entire truth or is a stranger to the truth or use some other expression which may mean something similar but not the same thing.

Language in parliamentary debate and parlance is restricted by rules, many of which are very old. Some of the expressions that are prohibited are ones that no longer cause offence when they are used, but because they are on the list they cannot be used. There are others that are not on the list that could be.

We had today the example of the Speaker ruling out of order and asking one of my colleagues to withdraw a word which has previously been ruled to be parliamentary, not unparliamentary. Yet it was causing disorder in the House and the Speaker took steps and ruled it unparliamentary. Perhaps it will appear in the list of unparliamentary expressions in the next edition of Beauchesne's. I do not know.

Not too long ago I had the Speaker rule the expression windbag unparliamentary based on an 1879 precedent. There are words that ought not be used. I do not want to

dwell on the question of words. What I want to do is deal with the principle.

I agree with the parliamentary secretary. I agree with the government House leader that offensive language of any kind has no place in this House. I agree that name calling, particularly of an offensive kind, particularly racist or sexist, is completely out of place. Indeed the incidents we witnessed in the last few weeks were completely unnecessary and most distasteful. I am sorry they happened, as I am sure is every other member of this House. They tend to bring the House into disrepute. They tend to cause Parliament to be regarded very badly by our fellow citizens. I regret that it happened.

What is the purpose of this motion other than to condemn that kind of conduct which I think all members condemn? Is the government proposing something new here today, or is it just having a debate for the purpose of purging ourselves after the recent incidents? I have not been able to figure out the motive because in the speeches of the parliamentary secretary and the government House leader there was no reference to the previous incidents except in questions. I am not sure why they raised it.

I would like to turn to Standing Order 16(2) which the motion says we support. The motion reads in part:

> —supports the Speaker's vigorous enforcement of Standing Order 16(2) and Standing Order 18;

Just for the members of the public who may not be familiar with what Standing Order 16(2) says I will read it:

> When a Member is speaking, no Member shall pass between that Member and the Chair, nor interrupt him or her, except to raise a point of order.

On its face Standing Order 16(2) prohibits heckling. It has never been interpreted that way, Mr. Speaker, as you well know. I know that on occasion, Sir, you had to interrupt me in the course of one of my speeches because the heckling was so loud you could not hear my speech. You heard no objection from me about the heckling. I frankly was enjoying myself and it did not bother me that members were heckling me.

Indeed three weeks ago I was making a speech and the din was very loud. It was difficult for me to be heard. It was in Committee of the Whole. To say that I was offended or upset by the heckling would be incorrect. I was not. I do not think that the Canadian public was outraged. I certainly got no letters expressing shock or outrage from members of the public at the fact that I was being loudly heckled during the course of those remarks.

Standing Order 18 states:

> No Member shall speak disrespectfully of the Sovereign, nor of any of the Royal Family, nor of the Governor General or the person administering the Government of Canada; nor use offensive words against either House, or against any Member thereof. No Member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

On occasion we have risen in this House to object to words being used by members concerning the other place or remarks made about His Excellency the Governor General. Those have been relatively rare. I must say that the remarks have occurred on both sides of the House.

I can remember when there was a Liberal majority in the other place the government House leader using very strong language to describe the conduct of the members of the other place. I objected on occasion to some of that language. I can recall that once there was a Conservative majority in the other place, after it was stacked for the GST bill, there were objections to some of the language used by members on this side of the House in describing the conduct of the other place because it was considered that the language might be disrespectful.

It was not rude or offensive. It described in colourful terms what was going on in the other place. I do not think that it was in any sense name calling, nor was it offensive language, but it was held to be contrary to Standing Order 18 because it was disrespectful.

• (1730)

I do not think there is any argument in any part of the House. I am surprised that the government has moved this motion to suggest that somehow these Standing Orders have not been enforced. They are enforced.

I suggest that what we need to do is make sure that the name calling and offensive language are excised as far as possible from our vocabularies.

I discussed this issue on a television interview in my riding shortly after the two incidents occurred in this House. I told one of my constituents that the members

of this House are not paragons of virtue. None of us is in a position to throw stones.

The hon. member looks shocked. Perhaps he is and considers that I am. I do not know. I think it is fair to say that we are not paragons of virtue. As I said to this television interviewer in my view we represent the people who elect us here. We are part of those people. We are all the same.

Before our election we were citizens as they are. After the election we have become members of Parliament, but we are still citizens as they are. We have all their foibles and all their weaknesses, and we are at one with the people we represent in a host of ways that we cannot measure here.

One of the ways we can measure it is in our conduct and our behaviour. I suggest that we do behave very much as a group of any 300 Canadians would behave if they came into a room and started having a lively discussion about matters on which they have profound disagreement.

We have tried through our rules and practices to raise the level of the debate so that the language is perhaps different from what is used in the street. The fact of calling another hon. member by the name of his or her riding instead of by name, for example, tends to force us to avoid personal references in the way that another group might if it were brought together for this purpose.

That aside, we are ordinary Canadians. However, the standard and expectation is different because we are on television in this House and elected to serve in this place. We are expected to behave in a better way and it is a fair expectation.

I do not deny that it is a fair expectation and that is why when there are breaches of the rules, where there is name calling and offensive language, we run into difficulty. We are criticized and the place is brought into disrepute.

I agree with that criticism. It is a fair criticism and it is one that we have to answer for. To the extent that this debate may encourage us to raise our standards in this House, that is fine.

I want to turn to those standards because it has been suggested that this is a new phenomenon, that somehow things have changed in the last few weeks, the last year, the last three or four or five years. I do not know how long the government House leader has had these feelings, but obviously he did not feel pushed or moved enough to bring in such a motion in the last seven years that he has been in government. I am rather surprised that it has suddenly come on him today that we have to have this discussion.

As I say I do not know exactly why it was prompted, unless it is in response to these incidents.

What was the situation 20 or 30 years ago? I used to come and sit in the gallery when I was a teenager and watch the debates in this House. I can remember Mr. Diefenbaker was Leader of the Opposition at the time. In fact, he was Prime Minister when I was first here and Mr. Pearson was Leader of the Opposition.

Ms. Clancy: I did it too.

Mr. Milliken: I remember then that the debates were exceedingly lively in this Chamber. To suggest that somehow today they have changed is simply not the case.

I can recall Question Period when members used to bang their desks. The din was often so loud you could not hear anything but desk banging. You could not possibly hear a member trying to speak above the roar.

Many members lifted the wooden tops on their desks and banged them up and down rather than just pound them with their hands and I am sure you remember this, Mr. Speaker. The noise was fantastic. There was hooting and hollering and yelling.

To say that today it is noisier or different from then I suggest is simply not true. I think that the Chamber is relatively quiet in this day and age. I think it has changed a bit. I think it has changed for the better in that respect.

Also to suggest that somehow the language in debate was different I do not think is fair. I think the language at that time was very lively. I think the exchanges were very powerful. We did not hear criticism of Parliament back then. Indeed the public speaks about those days as the "good old days of Parliament" when we had real debaters like Mr. Diefenbaker. He was regarded as a great debater, and he was a great debater. He was a powerful speaker. He could keep the House in fits of laughter.

Ms. Clancy: Or fits of rage.

Mr. Milliken: "Or fits of rage", as the hon. member for Halifax suggests, and it is true.

I remember when Mr. Pickersgill was a member of this House. His speeches were a brilliant example of how to use heckling to full advantage. He would stand up with absolutely no message he wanted to impart and wait for heckles from the other side in order to make up his speech and run on the heckles. He had a great time. He made wonderful speeches that were endlessly entertaining and extremely useful, cogent contributions to the debates going on at the time. He was an excellent speaker.

The hon. member for Essex East as he then was, Mr. Paul Martin Senior, was another example of a great debater who could make a mountain out of a molehill. He could create arguments out of mere nothings and make the whole thing sound as though it was a learned discourse that would well suit any professorial lecture.

I appreciate the compliments of my hon. friends. In looking at this issue from any modern perspective, we have to consider that conduct in today's House of Commons has not changed. There may be a slip here and there from one day to another, but there are also improvements and perhaps those are not noted either. While there is always room for change I welcome the government's initiative from that perspective and agree that members of Parliament have to conduct themselves with decorum. The obligation is to refrain I submit from excesses of any kind but particularly of offensive, sexist, racist language or nasty name calling.

I also recognize that members can make a mistake and say the wrong thing. I think the fact that we are able to stand up, withdraw, apologize and forgive one another is a very important part of this Chamber. If we were to carry the grudge and not recognize that people say things when they should not—and we all do it at one time or another—it would be a vindictive and nasty place.

It is tough enough now when we have our disagreements about how we conduct public policy and how we run this country, but we will make it a lot tougher if we decide that we have to fight each other because someone has made a mistake. We have to be willing as the public would be willing if they were here, to forget and forgive when the time comes.

While I respect the intent of the motion, I am surprised that it is here. I hope that the government will look favourably on the amendment that has been moved by my colleague, the hon. member for Cape Breton—East Richmond for the reasons explained in his very capable speech. I look forward to following speeches in this debate and possibly speaking again on the main motion.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, if I understand the member for Kingston and the Islands correctly, he is trying to make a point which I think was overlooked and deliberately so. Perhaps in the government motion we have before us there is a distinction to be made between different kinds of language. All of them in their own way contribute to what is perceived as the decorum problem in the House of Commons but not all of them are morally equal. A distinction is to be made between heckling done in good humour or a kind of informal argument which is going on off the record. This looks bad on TV partly because of the way we televise the House of Commons.

It may be a matter of personal insult which ought not to be practised but which is nevertheless a matter between individual members which can be dealt with in the traditional way of withdrawal and apology, etc. We can then get into what the government describes as abusive language.

The problem is that the government seems to think that all these things are abusive and wants to submerge within the over-all concept of abusive language what has really been the catalyst for this debate and for the concern that has been expressed in the last few weeks. That is the use of racist and sexist terms. I am glad to see that the amendments from both the Liberal Party and New Democratic Party try to address that.

• (1740)

In our judgment, and I want the member to comment on this, this is something which we ultimately cannot expect the House to deal with solely through the office of the Speaker. We need to be able to have accountability on the part of party leadership and caucus leadership for the behaviour of members in this regard, particularly when it comes to the use of racist and sexist language.

I would agree that this is not always easy to define. Certainly there is a difference between that kind of language which is offensive to entire groups of people, whether they be women, visible minorities or whatever, and language which is offensive to one person. This can be dealt with in that interpersonal level of withdrawal, apology, and forgiveness which the hon. member rightly

points out is a very necessary element of living in the House of Commons.

If the good news of the gospel is the forgiveness of sins, certainly the House of Commons is a place which depends entirely on the forgiveness of sins for its day-to-day life. If we could not begin each day anew in some degree or another, indeed hourly, then we would not be able to function at all.

I invite the member to elaborate perhaps just a bit on what the government is up to in the sense of trying to submerge a larger issue which only its members have been found guilty of, so to speak, in a way of talking about the problem that assumes that we are all equal when it comes to this kind of abusive language. I would submit that we are not.

Mr. Milliken: Mr. Speaker, of course the hon. member being a minister of the gospel is far better than I talking about the benefit of sin or the forgiveness of sin. I would not presume to match his eloquence on that particular subject.

However, his comments are very well taken. I regret one thing he said, and I was very careful to avoid this in my remarks, and that was the fact that the sexist and racist comments appear to come from just one side of the House. In the last few weeks that may be true, but I suspect that if one looks at the long haul this is not something unique to one side. I do not want to throw any stones in that regard and I do not think he does either. It really does not help the debate on that issue if we do that.

I agree with him that there is an attempt to draw the public's attention to the importance of this breach of our etiquette, our rules. I think it is a significant breach and one that perhaps needs to be dealt with in some other way. That is why I said at the opening of my remarks that I wished the government House leader had sent this matter to a committee instead and suggested that it be looked at. Frankly I think that is what should be done.

I know the Speaker has a committee that is looking at it and which I presume will come up with some kind of a report as a result of its discussions. This is an informal arrangement, but it could come to the committee on House management and be dealt with there to come up with a recommendation for a rule change.

I think I was stressing the importance throughout of the need for temperance in our dealings one with the other. While I am interested in his idea that parties have to take responsibility for the conduct of their members, I have concerns about that. I think in most cases members have to take that responsibility themselves. We as individuals have to discipline ourselves. It is not up to me to sit in my seat and wait for my House leader to turn around and tell me that I have to withdraw remarks. I think I should know when I have made a mistake and withdraw or do what is necessary to apologize to a member whom I may have offended by something I said.

I am not sure that I like the idea of shifting the responsibility to party leadership, because what does it do for independent members, for example, of this House? Does it mean that they have no restraints? I think that the restraints should be equal on every member regardless of his or her position in this House. I think the restraints ought to be imposed by the Speaker on the member or by the collective discipline of the House not by individual parties.

I do not feel that the standards should be different across the House. The standard should be the same for each one of us, and the obligation should be the same for each one.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I have listened with great interest to the hon. member opposite from Kingston and the Islands.

I was glad toward the end of his dissertation he finally acknowledged the very facts of what is in the motion before us. We are talking about civility, the decorum of the House, abusive language, verbal interruptions, offensive language and gestures. I agree with him that good natured heckling is beneficial. I think it is beneficial for all of us, and I am glad that he brought that point out.

I think what the motion is trying to get at is that we as individuals—he has alluded to this—have to take responsibility for our own actions here. There have been times when I have not been proud of the actions of many of my good friends here on both sides of the House. I suspect

sometimes that yours truly has got carried away as well sometimes.

I would like to ask the hon. member opposite whether or not he thinks there could be some changes made to the methods of televising the House of Commons. Originally it started out as an electronic *Hansard*, so it is very confined as to the rules and regulations that are given to the camera operator. It is very confined that it must only show either the Speaker or to whom the Speaker has given the floor.

Would there be a greater understanding by the Canadian public of what is happening if we were to alter those rules so that there was more fully televised coverage of what goes on here in the House?

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am very interested in this question. I was a member of the Committee on Privileges and Elections during the last session of this Parliament and the committee made recommendations to this House for improving the broadcasting of debates of this House.

[*English*]

I regret that that report was not accepted. The report proposed various changes, over the shoulder shots for questioners so that the minister who the question was going to could be seen. It proposed wider angle shots of the House so that the public could see who was sitting where and might see the heckling take place. It proposed wider shots showing where the person speaking was standing in the House in relation to the other persons who were sitting in the Chamber.

All those recommendations were very sensible and I regret, as I say, that they were not adopted. I am not sure that the changes in television would alter the behaviour or demeanour of the House particularly one way or the other. It might improve it slightly, I do not know. I think it would be quite neutral, but I do feel that it would at least allow the public to realize that the heckling is an integral part of the debate and sometimes extremely worth while.

I see the hon. Minister of Supply and Services here. He loves heckling, and I enjoy his comments.

If the public could see that he was here and shouting things at me at various times, I do not think they would be offended. What the public must find very difficult is not being able to hear the comments that members make when a member is speaking because of our television system, not realizing that other comments are being made except to assume that perhaps they are unkind, nasty or name calling. They are not.

In my experience, name calling is exceedingly rare. I do not recall ever having been called an offensive name except a windbag. I have to admit I was not terribly offended. It was unparliamentary, I did not mind the hon. member calling me a windbag. As the hon. member said, it was a compliment.

An hon. member: It was an understatement.

Mr. Milliken: I think name calling is a rare event in this Chamber as all hon. members know, and I think it is unfortunate that when it does happen, it attracts such attention and makes it appear as though this is going on all the time. It is not. In my experience, it is exceedingly rare.

• (1750)

The Acting Speaker (Mr. Paproski): The Associate Minister of National Defence.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Thank you very much, Mr. Speaker, although I thought you might refer to me as the Minister responsible for the Status of Women for the benefit of this debate.

The Acting Speaker (Mr. Paproski): I can do that, too: Also the Minister for the Status of Women.

Mrs. Collins: Really in this debate I am talking as a member of Parliament because I think this is the kind of debate where we are really talking all together about an issue that is important. I think it is important to have this debate.

Unlike my colleague from Kingston and the Islands, I guess I have been more concerned about this issue in the just over seven years since I have been a member of this House. There have been many, many times when I have sat on the back bench and cringed at the display of behaviour or language which I have seen in this House, and in many ways sort of felt powerless to do anything about it. Quite honestly, I felt very frustrated. So, I am glad we are having this debate. It is the first time that I am aware of in my seven years that we have even talked about the issue. A number of us have talked about it from all parties at different times and I think it is healthy for us as members of Parliament and for the public to be

aware that we are concerned about our own behaviour and that we are looking at ways to improve the credibility of this House, and therefore would hope as individuals as well.

Today I want to talk a little bit about why I really think it is important to have this debate, and why it is important to have in this Chamber behaviour that is really representative of the best we can do. Also, I would comment on the issue of sexist language and why, as a woman—and I think other colleagues may share this—sexist language is so offensive to us. I have found in discussions with not only colleagues but sometimes other people don't really understand that. Obviously it cannot be a full discussion of this issue today but there will be other opportunities, but I just want to make a few comments in that area.

The resolution, broad as it is, and I know there are some amendments that we can discuss as well on it, really reflects on the ability of all the members of this House to perform the role that I think Canadians expect of us. We all know that our country is at a crossroads and the decisions that we will be making, whether on constitutional affairs or a wide variety of issues, will determine our future as a nation. Surely the choices that Canadians make about business issues, about the economy, about our education issues, our social values, will all have an enormous impact on our prosperity. The conduct and the attitudes of Canadians in an era of considerable upheaval and concern will set a stamp upon our ability to be able to continue to promote the kind of caring and compassionate society that I think we all take such pride in.

In my mind if ever in our recent history Canadians need leadership and need examples to follow and need models of responsibility and decency in the face of the very daunting challenges that we have before us, I think that time is now.

Ill-chosen words or provocative gestures, invectives or slurs or racist or sexist remarks are just going to muddy the whole area of thought and communication. These are times when very complex issues must be analysed in detail, and I would hope in a fair and rational approach. Canadians must be able to consider all options. These are times for clear thoughts to be expressed with civility and decorum and opposing positions obviously on those issues which exist must be voiced consistent with our democratic principles, but presented without bar room antics or invectives.

This House was created as a House to bring Canadians together. It has evolved in order to help Canadians express their aspirations and enable citizens to determine the course of events of their future. When our constituents elect us, no matter what party we represent, they entrust us with enormous responsibilities. They empower us to make choices on their behalf. In doing this they have set upon us a duty to conduct ourselves and our affairs in a way that would make our citizens proud of the high ideals that lie behind our democratic institutions, that are the very heart of our democracies. In may ways I feel that when we come here as elected persons representing Canadians, we do in some ways give up perhaps some of our freedoms because we have to behave in ways I think will ensure that Canadians can be proud of us. That applies not only in the House but in other instances as well.

This House has to represent solutions for the challenges that face us as Canadians and as members of Parliament. It should not be part of the problem. Unfortunately we have had instances in recent days where I think this House has indeed contributed to the problems that we face in society, and have not been part of the solutions.

Indeed we all know that Canadians have grown quite cynical about their elected representatives and often I find people will say that it is not you. They are not going to say it to your face but they will say it behind your back. There is this sense that somehow as a group we really do not seem to have the confidence of the public. At a time when I think that we have a very important duty to set a standard of service to the nation, Canadians all too often feel that this House is nothing but a forum for bickering and it is not very productive. That is the impression that they get. That is often conveyed to me when I go home.

At a time when Canadians are looking for leadership and vision, all too often they turn on their television sets to the parliamentary channel and they get something that relates more to invective or hostility. We have to be careful that we do not get so caught up in our lives here and we are used to it all. However, for the ordinary Canadian who turns on the parliamentary channel they are coming from a very different kind of perspective and we have to relate to their values, their way of thinking about us.

I know that all members of this House feel very passionately about the future of this country, about their own views. I think all members of this House are capable of great vision and compassionate understanding. I certainly have seen it at committee hearings. I have seen it in many of the meetings, the public hearings, I have been involved in, and in meetings I have had with colleagues in all parts of the House. There has been a lot of camaraderie and respect which often is not conveyed to the public who do not see those kinds of meetings and that kind of effort that often crosses party lines.

Therefore members of this House have to be adept in the use of language to express their hopes and their aspirations. By definition members of Parliament are supposed to be accomplished communicators. You have to be to some degree to even get to this place. We have all shared the experience of debating on the hustings and having to present our views and having to defend our views. That is part of our tradition. We have all had to stretch our ability with language to its limits in order to communicate our ideals and our visions to our constituents.

We should all be very familiar with appropriately chosen language which we use to rally people around us, our ideas, to invoke the complexity of our situations and to galvanize vision into action. Language sends very powerful signals. It also sends subtle signals and very often the subtleties or the nuance or the connotation are the most powerful tools of language.

The members I think on both sides of this House have an abiding respect for this institution and a great deal of personal experience with the power of language. Nowhere should it be more evident that the use of language in this House must be part of the solution of our ability to provide leadership. We cannot let it be part of the problem.

The problem has been, as we have seen, and we could speak of the problem from many different levels, some subtle, some overt, but as the Minister Responsible for the Status of Women and as a female member of this House, I am acutely aware of the subtle messages that our every-day language conveys. I know that often we have no intention of transmitting these messages but they are conveyed unwittingly. Nevertheless they are conveyed. We still often use sex-specific words for generic purposes using a term like "mankind" rather than "humanity". We often use a double standard when using words to describe situations that are substantially similar.

• (1800)

I have certainly heard a male colleague described as forthright while a woman colleague might be aggressive. There is a connotation that women are supposed to behave and are labelled differently when they express their views in similar ways. I am sure my colleague from across the House would agree with that.

When you use that kind of language it divides, it excludes and sends signals that may not be consciously noticed but nevertheless plays in the back of our minds and affects our attitudes.

I know that most members of this House are aware of the subtleties of gender based language and are doing what they can to apply words that unite and include rather than divide and exclude. After all, over half of our constituents are women. As elected members we owe it to ourselves as well as to our electorate to apply language that does not subtly or subconsciously exclude over one-half of our population.

The resolution before us does not just respond to the subtleties of language. In fact, if that was all we had to deal with, I do not think we would be having this debate. There are other issues that are far from being resolved.

It is when we use words that degrade. I guess I speak in this context of women and I feel particularly strongly about words that degrade women. We send signals that it is all right to degrade women. When we call a woman a name that we would never allow anyone to use to describe someone dear to us, we condone the very attitudes which, if you take the whole spectrum, ultimately leads to violence. We do not know what all those links are but we know there is a spectrum and it includes at one end the use of sexist language. It also implies that we condone attitudes that delegate women to unequal positions in our society. Surely that is not what this House is all about.

The debates in this House in the past few months have on occasion descended into the worst kind of gutter language. I have used that phrase to describe it to the media. It is language that does more than exclude and

divide, it is language that tries to smash and destroy the respectability of the members of this House.

Mr. Speaker, as you know, some members of this House have been working together and talking about steps that we might take to make changes. The debate is obviously one part of that today but also some of the women members of this House have met together with the Speaker to discuss gender related issues on the Hill and specifically in this House. I hope that we are going to be able to continue that work.

I know that Mr. Speaker has been very helpful. He has taken a lead in this area as he has in the establishment of sexual harassment policies which have been developed for employees under his jurisdiction. I think that is very important as well.

I think those kinds of steps are good. There do need to be some changes. Earlier this day at the Association of Women Parliamentarians we discussed this issue. We brought forward some ideas that are still embryonic at this stage, discussing how the rules of this House might be changed to ensure that the penalties for the use of offensive language—we were talking specifically of sexist or racist language—might be changed.

There were real penalties, penalties that might, for example, include exclusion from the House, not just naming and going out the door but having the privileges for a period of time taken away, including even potentially a fine, the withdrawal of payment for that period of time. People would know we take these things seriously. We hope that we can, not just today but thereafter, look at this situation and see how we might be better able to send out the signals. It is preventive.

We want to prevent that kind of situation from occurring, and I think these measures are important. They indicate that we all share a responsibility for making this House a model for equality and decency in which Canadians can turn with pride.

I think in the issue of language and decorum, television was mentioned earlier. It is an important change. My hon. colleague from Kingston and the Islands said that it was no different years ago. Maybe it was not but quite honestly I do not think that is good enough.

Many years ago when I worked for the Government of Ontario, I used to go into the Legislative Assembly to watch the debates. I would go in at night. I would be appalled by the behaviour and the language that went on in that Legislative Assembly during those years. There were not many women, of course, at that time at all.

I do not think we should just say that it has always been done this way, we can just carry on. In my mind with a new generation of politicians, with more women, with more people reflecting the mixed ethnic background of our country we have to come to grips with these issues. We have to convey to the Canadian public that we will establish high standards of leadership in this House.

Some people have asked how do we describe offensive language? I thought it might be helpful if I use one example. Interestingly enough the example from the Canadian Forces of our personal harassment policy provides a definition which I think in some respects might be applied to language too. It talks about personal harassment being unsolicited behaviour by an individual that is directed at or is offensive to another individual, that is based on personal characteristics, including for example race, religion, sex, physical characteristics or mannerisms and that a reasonable person ought to have known would be unwelcome.

All of us in this Chamber like to think of ourselves as reasonable persons. I hope that we will take this issue very seriously, that we will make the changes in our own rules, in our own behaviour so that we can provide an example for the Canadian public, that can provide decorum and conduct, that we can be models to the young people of this country and provide the leadership that will ensure that Canada can be proud of its Parliament and its parliamentary representation and that we can move on to the other issues which are so important to us of having a united, a caring, a prosperous Canada which we all wish for our future.

[*Translation*]

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, I must say I entirely approve of what the minister said about disciplinary measures. Expelling a member from the House for using the word "slut" or similar terms

doesn't really change his life. I think that real disciplinary action, such as taking away all his rights and privileges for several days, would make him think. If your pocketbook is hit, it always makes you think twice, so I think this would be a very good idea.

In fact, the Association of Women Parliamentarians of Canada intends to go ahead with the resolution we intend to submit very shortly, and the gist of it, Mr. Speaker, is that you should have more authority. When something like this happens, you should have the authority to make a decision immediately and not have to wait until the member rises in the House and says "Yes, I withdraw". You should be able to decide then and there that this person has violated the Standing Orders of the House, that this individual should be expelled from the House and that the member's privileges should be taken away.

As the House leader mentioned at the beginning of this debate, to withdraw is not enough. Words are withdrawn, but that same evening they are aired on television. It really doesn't make sense, the way the system works now, and we need something else.

Mr. Speaker, I agree it is important to discuss this motion, but it is really incredible that it has come to this, that we have to discuss this kind of motion in Parliament today. In fact, I think it is demeaning.

When I first became a member of this House, I had been practising law for 13 years, and when people were asked who they trusted most in society, in Quebec, we came third. Judges came first, then doctors and then lawyers and notaries. Now I am here, I come last, and I feel insulted because one of the reasons is this matter of unparliamentary language. Of course, it isn't the only reason why we are discredited. Journalists often report what they see, and it isn't always nice. I don't think it is just our behaviour in the House but a number of other factors as well.

Mr. Speaker, you are signalling that my time is up. I will not be able to finish what I wanted to say, but I do think that we must change the Standing Orders of the House to allow you to implicate members directly, in other words, to impose your own disciplinary measures.

• (1810)

[*English*]

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I listened carefully to the minister who is responsible for the status of women and I appreciate very much many of the comments she made. I think that it is important to acknowledge that there are many times in the House of Commons when members, for a short period of time perhaps, take off their partisan cloaks or partisan hats and do work together. We have done that on issues of concern to women, issues of concern to individual women and issues of concern to women as a whole. We have done that through all parties represented in the House of Commons. That is always a very positive step and it does happen in the House of Commons.

It is important that we reiterate the difference between a lack of decorum, which is what this motion addresses, and racism, sexism, homophobic kinds of responses that we have all heard in the House of Commons. There is a difference. Racism and sexism attack a whole segment of our society, not simply me when a sexist remark is hurled to me in this House. It gives an indication of a member of Parliament's attitude towards all women in society and that is what must be recognized when we are discussing this.

The minister and I are both mothers, we are both parents, and I think we both recognize that when you are raising children, whether it is in your own home, whether you are a teacher in a classroom, whether you are a coach of a minor league sports team, that you impart to children the message that there are consequences for inappropriate behaviour. There must be consequences for inappropriate behaviour. What we have witnessed in the last few weeks is the fact that there have not been those consequences for behaviour that the vast majority of Canadians find offensive.

I want to ask the hon. minister if she will be working within her caucus to get support for the amendments that have been put forward to this government resolution and will she herself be supporting those amendments.

Mrs. Collins: I have not seen the wording of the amendments so far but I will certainly look at them. I agree with you, I would like to see something that will

add greater definition about the consequences, whether it is offensive or abusive language, sexist, racist, behaviour or gestures. I think we have to look at the whole range of those activities.

If that necessitates changing the rules of the House, because obviously there has to be something that applies to all members whether they belong to a party or are independent, I think it has to be done that way. Each one of us, through our own caucuses deals with our situation, so we have to reflect on that within our caucuses as well.

It has never been clear, up to now it has been very fuzzy. As we said, the tradition was that you could just get up and apologize, and everybody thought that that was okay. Well, we are saying now that that is not okay, that is not good enough, because of the very messages that is sending out. I think that is the wrong message, that sometimes great parliamentary traditions need to be changed to recognize the new reality that we live in.

I am not sure if we have all the answers right now, but that is something that we need to work on. I do not see it as a partisan issue, I think it is an issue that, hopefully, all members can work on.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I think in the past few days Canadians have seen that there is a sickness called prejudice living in the halls of this institution and in the hearts of some members. I believe that most of the time it is kept well hidden, but more and more often it escapes, sullying the reputations of this institution as well as all of ourselves.

When one female member of Parliament is ridiculed because of her gender, this is ridicule against all women in this country. When one male member of Parliament is ridiculed because of his colour—he happens to be black—all visible minorities are maligned in this country. As the only other visible minority in this House, Mr. Speaker, I really feel vulnerable.

As I am speaking I must add that I have an accent when speaking English. I wonder if one day others may be tempted to ridicule me because of my accent.

Before the temptation occurs I would like to assure all members that I have no accent in my heart.

Mr. Speaker, I was to pose the same questions as the previous member. Would she support the amendments introduced by my House leader and the House leader of the New Democratic Party? Of course I realize that she did not have the opportunity to hear the proposed amendments, that was not her fault at all.

Therefore I would like to read the amendments because we can test the principles of an answer in answering questions if the question is posed and the answer is given at the moment. When a question is posed at two o'clock in the morning and you give an answer then you know it is an answer emanating from your heart.

Therefore I would like to read the essence of the amendment. It refers to "including sexist or racist language or gestures directed at other members either during Question Period, debate or otherwise in the Chamber". That is one fundamental essence of that amendment. Part of the New Democratic Party's amendment states that "the party leaders and House leaders will be responsible for the deportment of their caucuses".

Is the minister today prepared to tell the House, having heard the substance of those amendments, whether she believes in them and would support these amendments in a spirit of non-partisanship, as she claims? Having made a decision today will she bring that message to her cabinet and convince cabinet as well? That will be the real test of sincerity and the real test of non-partisanship.

Mrs. Collins: Mr. Speaker, as I understand this motion it is a free vote and we are here as members of Parliament. The amendment that would specifically refer to sexist or racist language would be a good idea. The member might want to consider adding physical characteristics. The member mentioned that sometimes people are ridiculed here because of a physical characteristic or manner of speech and I find that extremely offensive. By ridiculing a person all other people like them will feel that same pain, and that seems very inappropriate. So there might be a few other examples that we might want to add.

Obviously our caucuses have to deal with this and I think that is a given. I would like to see—and I am not sure if it is possible to add to the motion at this point or if it is just going to be something we will discuss later on—that the rules of this House be studied and whatever wording created to address more appropriate responses

by the Speaker to these kinds of inappropriate behaviours.

Ms. Mary Clancy (Halifax): Mr. Speaker, as I begin my remarks I want to compliment my colleagues: the hon. Minister responsible for the Status of Women, the hon. member for New Westminster—Burnaby and the hon. member for Saint-Hubert. I am going to be speaking a little later about the Association of Women Parliamentarians and the sense of warmth we may all be feeling as women members of Parliament today after a particularly successful meeting.

As the seconder of the Liberal amendment I would like to absolutely assure you and the Speaker of the House and the other members who occupy that chair of my full confidence in each one of you, of my respect and admiration for the Speaker of the House, and of my knowledge that some of the behaviour that we have been subjected to in the last little while is not condoned by any one of you. Mr. Speaker, you do take every measure possible to combat and order such behaviour outside this Chamber. I also fully support the New Democratic Party's amendment, particularly its reaffirmation of our support for those who hold the Chair in this House.

• (1820)

When I listened to the remarks of the member for Kingston and the Islands it brought back a memory for me when he talked about coming to this Chamber as a child. As he and I are relatively the same age we may even have been here on the same day. I remember I came as a 10-year old when Mr. Diefenbaker was the Prime Minister. Unfortunately there were no Liberal MPs in the province of Nova Scotia so my mother and I were forced to go to friends in the Conservative Party to get tickets.

I remember sitting in that gallery and watching the House and being utterly fascinated, as only a 10-year old could be, and then being a little bit—no, a lot—appalled when I saw members on both sides of the House asleep. I recall one, and I do not remember which side of the House he was on, who even had a newspaper over his face and you could hear his snores in the gallery.

That has been arrested, not to say suppressed, by the advent of television in the House of Commons and we are glad of that. That kind of behaviour is not one that any one of us would appreciate or condone, but it is not nearly as offensive as that with which we have put up with in the last couple of months.

When I came to this House three years ago next month I remember saying in jest to some of my colleagues: "I feel as if I am locked up in a somewhat unruly boys' school". I meant it at the time, half in jest, wholly in earnest. Now the real downside of being locked up in a boys' school is coming to the fore and it is no longer a joke.

I support very strongly the words of the member for Kamloops who talked about this House setting the tone, in a way, for all Canadians, particularly with regard to the treatment of women, visible minorities, the physically challenged and so on. In other words, the treatment of all of us to all of us and in particular the treatment of those who deserve our best treatment.

There is a tradition in this House. We have heard about that tradition. We heard about it most eloquently from the member for Kingston and the Islands and the member for Winnipeg Transcona. When the minister, my colleague from New Westminister—Burnaby and my colleague from Saint-Hubert spoke we all agreed on one point. This tradition may have seen, at least in some part, its final days. It may be time to change this tradition to reflect what is happening in the 1990s and what we must have in the 20th century. It is sad in a sense. It is sad that we cannot maintain the British parliamentary tradition of apology and withdrawal and we will all forget it like gentlemen.

Contrary to the member for Kamloops I am not a gentleman and I am not sure I can always behave like a gentleman. I do however want to try to behave like a member of Parliament.

I am angry. I am more angry today than I have been for a long time. It has been a build up of anger over the last several months. It is not just me. Women across this country are angry. People of colour across this country are angry. They are not angry about the day-to-day interruptions. They are not angry about the normal "heckling" in this House. They are angry about sexist and racist language. They are angry about personal attacks and obscene gestures. Those kinds of behaviour are simply unacceptable. They have no place in this House and every one of us in this House knows it.

I am sorry. It is insufficient after having heard a sexist slur, a racist slur, or a personal attack to say an apology and a withdrawal and all is forgotten. It is not forgotten. It has festered with every one of us in this House. I suspect it has particularly festered with those of us who have over our careers had to deal with such remarks.

These comments go beyond the concept of adversarial debate. Believe me, and I imagine everyone does believe me, when I say I relish adversarial debate.

My colleague from Kingston and the Islands before talked about how he liked to be heckled. Me too. I enjoy it. In the normal course of debate I am disappointed if no one heckles me. I realize that if I was heckled today it would be pretty awful, given the subject matter because this is a very serious topic.

For example my very good friend, for whom I have great respect and admiration, the member for St. John's East, when we happen to show up in the Chamber on the same duty day we enjoy heckling each other. Over the past three years we have had some memorable, interesting and I hope fairly erudite exchanges. I can also say that neither I nor the member for St. John's East would have any problem with those exchanges being read from the pulpit of any religious institution in this land. There might be some things in the content of what I say that might bother certain religious institutions but there would be nothing in the form. This is something we all have to remember.

When we deal with the question of racism and sexism, when we deal with the problem of personal attacks, each one of us knows how much that diminishes us in the eyes of the public. Make no mistake about it, the person diminished the most is the attacker. It does not diminish the victim. Indeed it probably creates an atmosphere of sympathy for the victim. What it does in diminishing the attacker is say: "This is the kind of person who gets elected to the House of Commons".

It is not. This kind of behaviour, this kind of language comes from a very small minority. I cannot emphasize too much the fact that we have in the next little while a window of opportunity in this Chamber. That window of opportunity is for us to show, to lead as an example on a non-partisan basis, for the world at large to see that we take this extremely seriously and will in some form in the very near future come up with recommendations to show how seriously we take this.

The hon. minister mentioned the work of several other committees. One is the informal group advising the Speaker of the House on which she sits, as do I and several other members including the member for New Westminster—Burnaby. It is a fairly broad question we are looking at concerning behaviour and the treatment of women generally on the Hill. We are dealing with a number of things that we are concerned with through the good offices of the Speaker of the House.

I want to talk about this a little. Today we had a meeting of the Association of Women Parliamentarians of Canada. It is a group that for a long time a number of women in this House had worked to get off the ground. I refer particularly to the member for Vancouver East who had tried for quite a while with not a great deal of success. I want to compliment in particular the member for Saint-Hubert, who had some assistance from myself and the minister and the member for New Westminster—Burnaby. This organization came together last year. It has met. It is difficult for all of us. The women of Parliament lead very busy lives as everyone else knows, but we have managed to come together on a number of occasions and we have managed to find common ground. But today marked a watershed because the women of all four parties met, discussed this issue, and there was such a sense of mutual support, such a sense of purpose, and such a sense that we as a group must come forward to the rest of you, our male colleagues, and say the time has come to make some changes.

• (1830)

We talk about the tradition and, yes, traditions are to be revered and to be honoured when they are good traditions, when they are traditions whose life is still germane to both the life of this place and the life of the country.

But, some of the traditions are white male, patriarchal traditions which not only have little to do with the women who sit in this Chamber, but frankly they drive us crazy. Equally frankly, Mr. Speaker, they drive the women of the country crazy. And I think, Mr. Speaker, it is because they are crazy, and it is time to get rid of traditions whose time has passed. It is time to say that we take this seriously. It is time to say this will not be accepted in the Parliament of Canada. I accept and agree most strongly that the leader of each party and the individual caucuses have a role to play. I have no qualms

about that and no qualms about knowing that my leader and my caucus, as I am sure the others, will support this, do support this, and do what is right.

But, Mr. Speaker, because of the confidence that each one of us has in you and your confrères who maintain the order and decorum in this Chamber, it is important that the rules of the Chamber reflect reality, reflect the new realities of both this Chamber and this country. Consequently I know that when we bring forward the changes that we are looking at that we will get support.

In the meantime I support most strongly, and I hope the rest of you will as well, the amendments put forward by the hon. opposition House leader, the member for Cape Breton—East Richmond, the the hon. House leader of the New Democratic Party, the member for Kamloops.

This is a very serious matter, Mr. Speaker. We all know that. The time has come to act. Let us show the people of Canada that they have elected mature, caring, and compassionate people who also reflect the views of all their constituents.

Mr. George Proud (Hillsborough): Mr. Speaker, I want to commend my colleague from Halifax for the comments she made here today. Certainly we all know that she takes a very active part in what she has just spoken about and I commend her for that.

I want to say that I believe this is a very healthy debate taking place in this House. Some people seem to think it should not have happened. Well, I tend to believe that it had to happen. I think that we have come to a situation that something had to give and whether it was the constitutional committees going cross the country, or whatever it was, it brought home to me that something is wrong here. Something is wrong in this great institution and I believe we have to make amendments and adjustments to that.

I know that over the last 20 years great advances have been made by women, by minorities, and things seem to be going along relatively well.

Somewhere along the line in recent times that seemed to come to a stop. There are groups and individuals who are saying things and doing things to make it less possible for these people to continue to become equal members of society. I think this is wrong.

I for one am not the greatest person watching out for what I say. I think my colleague from Halifax would be the first to recognize that, but I honestly believe that there is room for everybody in this House.

I am certainly one who agrees that things have to change and must change. I am not just talking about the sexist and racist language or gestures within this House, but I believe that other things have to change. We are the people in Canada who are setting an example for the rest of the country.

My God, Mr. Speaker, if we cannot do it, who can? Who do we expect to come to this great institution? As the member for Kingston and the Islands said: "It is 900 years old". I agree with him. As my colleague from Halifax has said: "I agree that heckling is part of life and public speaking". We go into our constituencies at election times. We go to halls with all of the other members from all the other parties and if you do not get heckled, then you are not in it. I agree this has to be.

When we see the sexist and racist language in this House, I am appalled by it. I say to my colleague from Halifax and I ask her this question. It is a fairly straightforward question. Why do you think these things are happening at this time in our life?

Ms. Clancy: Mr. Speaker, I thank the hon. member for Hillsborough for his question.

I am a bit reticent because I do have a definite belief and a definite reason, but I also do not want to impute reason in people who are not here to defend themselves. I have said it before so I might as well say it here and put it on the record.

I believe that these comments are based in hate. I believe they are based in fear, in ignorance and I think that we see by history that when disadvantaged groups start to achieve a certain measure of representation and equality, some people who are particularly afraid of a loss of power react in a vicious manner. Unfortunately, I think that is the case.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I just want to raise one point. I appreciate my colleague's speech very much and I agree with her talking about traditions.

Often traditions are used to keep people in their place. I think it is going to be often heard that: "Oh, you cannot change. That is always the way it has been done". I guess as women at the leading edge, we do not accept that. We say that there has got to be a better way of doing things.

At our meeting earlier today at the Association of Women Parliamentarians, I thought it was also interesting that we had a representative of the Senate there. Perhaps we are not supposed to talk about the other place, but they indicated an interest in undertaking similar kinds of reforms. I also heard that from some male colleagues in the Senate. Perhaps the discussion we are having here will have application there as well.

There is another issue that we have talked about informally, and I just want to raise it here as well. How do we help people, our colleagues, become aware of what is offensive, whether sexist, racist or all kinds of language. Does she think it would be hopeful? I do not think you can do a dictionary. I do not think that is the approach. Is there information or some way that we can be sure that colleagues do in fact understand, that they do not get tripped up.

Sometimes there is a difference between the French and the English language of how words can be interpreted. I find there is often a generational gap. Some words that I think are offensive or sexist, much younger women do not have the same feelings about them. I am just wondering if my colleague would have some suggestions of how we get right down to the brass tacks, what we are going to do and can do.

Ms. Clancy: Mr. Speaker, I want to thank the hon. minister for her questions.

I think there are a couple of things.

• (1840)

In my position as critic for the Status of Women, which I have frequently said, I am not just your critic, Madam Minister, but I am also the critic for these things within my own caucus and I suspect my colleague from the New Democratic Party would agree with me that we have a sort of dual responsibility. One of the things, an is said in an old Nova Scotia phrase, is that you are going to catch more flies with honey in certain circumstances than you are with vinegar. You have to in getting these things across use a certain modicum of wit and you have to use a carrot and a stick approach.

I do not mean to sound patronizing to my male colleagues because many, many of them on all sides of the House are supportive and terrific and we would not survive in this unruly boy's school without them, but I do think that there needs to be, first of all, the absolute 100 per cent support of the caucus leadership. Second, I think that the recognition of the problem is the biggest thing we have here to deal with. Everyone who is an offender or who is a possible offender has to know what it is we are talking about, because some of them do not. They do not understand. It is not penetrating their consciousness.

A realization, a sensitization perhaps to the issues is what is necessary. How to do that, because I would not want my male colleagues in my own caucus or in any of the other caucuses to think that the women were suddenly going to herd them into a room and lecture them and rap them on the knuckles, although we might if we have to, but we have to bring this to the floor so that they understand as we understand.

We talk a great deal about language in this House in the sense of communication and the duality of this country and the importance of both languages, but there is another importance here that I think we have missed and that is that sometimes the language of men and women, be it French or be it English, is sometimes incomprehensible between one gender and the other. I think learning to bridge those gaps are what we have to do.

Mr. Ronald J. Duhamel (St. Boniface): First of all, Mr. Speaker, I want to compliment my colleague for Halifax for her presentation.

I recognize this as an important topic. I am delighted it is being discussed. I recognize its importance as well. I am one of those who is trying to understand even better than I do.

As you well know, there have been a number of incidents. During the last month there have been two particular incidents that have been in fact embarrassing to the House and many of our constituents have called us. I am referring specifically to the incidents the member for Hamilton East a well as the member for Windsor—St. Clair.

I spoke out against both incidents as quickly as I could and I was surprised at how little visibility they got in spite of my attempt to explain what had happened and to in fact condemn what had happened and certainly not in a partisan way.

Basically I had three questions for my colleague. The first one is why did this happen? The member has already attempted to address that, in fact she has been rather insightful and helpful. How and what might we do in order to try to counteract some of those difficulties? There again, the member has addressed that as well.

The third point though, and very briefly, is that I was really quite surprised that some members defended that behaviour. I do not say that unkindly or in a partisan-like kind of way. I just could not believe what I heard. Why in the world would one defend that kind of behaviour when clearly virtually everyone believes that it was despicable and wrong and mean-spirited?

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Halifax on a very short reply to that, but I would like to recognize the hon. member for Malpeque. I think she has a question for the hon. member.

Ms. Clancy: Mr. Speaker, I will be quite brief.

I think the answer is that when something like this happens people become defensive and understandably so. It is normal to be defensive in an indefensible position. A number of people, because this is a partisan place, because we are used to being partisan and, as I said, many of us relish in being partisan, I think seriously the people who perhaps reacted in an unacceptable manner by saying that a remark was provoked or by saying that so and so deserved it or so and so did this or so and so did that, were reacting because of the partisanship that I do not deny exists and that I think has to exist. I do not make as harsh a judgment against those people. I was angry at some of those responses. As I say I have been carrying this anger for a while, but I think it is because we all in a sense had our behaviour patterns and our nerves flicked raw by what happened. We are all so upset about it that some reactions were not the reactions that we would want. That is my belief. There could be another answer, but I think that is mine and I hope it is the right one.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I will be very brief. I want to compliment the hon. member for Halifax on her very thoughtful speech here this afternoon and I want to go on record as supporting the amendments that have been put forth.

Since 1988 when I was elected I know that many of my constituents have spoken to me about the decorum in the House, the type of behaviour that they see on television. That of course includes the sexist, racist and rude comments that they see from time to time.

I certainly agree with them. To me it seems that this type of behaviour shows a total lack of respect for other members. I think being elected to this House to represent Canadians is a real privilege and I think this type of behaviour is below the dignity of this Chamber.

We have had a lot of publicity about recent developments in the House and I think it is certainly a new low of behaviour in the House of Commons at least since I was elected in November 1988.

I want to say that I am pleased we are discussing the issue today. I think it is an important and serious issue. It is one that we need to come to grips with and have to come to grips with if this Chamber is to get the respect of Canadians back again.

Thank you, Mr. Speaker, for allowing me to put those comments on the record.

The Acting Speaker (Mr. Paproski): I believe there is nothing further the hon. member would like to say. On debate, the hon. member for Crowfoot.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, let me start by saying that it is ironic that we would be having such a civil debate about the use of uncivil language in the House of Commons.

I have been here now for some 17 years. I recall when I sat in a seat somewhere near where the hon. member for Winnipeg North is sitting now. I remember the first occasion when I was not sure that I was going to be able to say what I was thinking and being rather frightened by it. I want you to know how frightened I am at this moment and it is because I might say what I am thinking.

This institution is in terrible disrespect and it has earned it. It has earned it not because the rules do not provide for members and how they ought to conduct themselves within the Chamber. Any member who thinks that somehow this is not one of the top issues on the minds of their constituents has not been off of this 15 acres called Parliament Hill in 20 years. Everywhere in the country people are angry at how this place is conducted from within.

What is so unfortunate about that is the other obvious fact from those of us who work here that for most of the time this place works very well. It works well in our debates for most of the time; it works well in committees and in our caucuses and in our specialized committee meetings. What does not work, what is not working and what is marinating this place in the poisonous atmosphere is the environment of Question Period.

We are having a lot of discussion in this particular debate today about sexist language and racist language. I submit to you that I do not think it is a coincidence that the examples held up took place in Question Period or right after. That one 45-minute period of the day has to be reviewed. Those books on the Table have to be opened more frequently. This Chamber has to start to pay attention to such things as the question of jurisdiction, of what ministers do you ask a question to and to make note that a question cannot be argumentative. It is in Beauchesne and Erskine May now.

• (1850)

I simply put to any member of the House: Name the day, name the member when you have not heard an argumentative question and compare this with other parliaments around the world. This is probably the most argumentative question place. Another rule that is in the books of this House is that a question is not to have a preamble. Often you have to hunt for the question in long preambles.

If I can go on to what I think is the most important one, it is against the rules today to impute motives. Yet ever so often, including in today's Question Period, the imputation of motives is there. That, Sir, poisons this place. It poisons this environment. It leads to results we do not want. It is Question Period where we need to focus a large part of our request for change so that the whole place can start to develop a sense of civility and respect for one another.

Like many other members I became glued to the television set on the Thanksgiving weekend past. It is about the third time in my life that I can remember when I was so fascinated by an event on television that I spent so much time watching. The other time was the Nixon hearings and more recently the situation in the gulf. This time it dealt with the ratification of Clarence Thomas, U.S. candidate to the Supreme Court of the United States. Without any capacity to judge who was right or wrong, Clarence Thomas or Rita Hill, of all of the messages and there are many, all worthy of developing speeches about racism and sexism and so on, the one that came out so absolutely clear was the utter destructive damage of the innuendo. One of those people is not telling the truth. No other fact can be drawn from that.

We are set up two sword lengths apart, established in a combative kind of a forum. The architectural design of the House does not lead to group decisions toward proper policy making as we are set up to be combative one with another. Innuendoes fly back and forth for 45 minutes that are destructive to people and destructive to this institution.

I am one who contends that the mood that is in Canada today, the negative mood that is so far below what this country so blessed with education, resources and opportunity deserves is there because most Canadians see this place as the mirror of themselves.

This is Canada. This Peace Tower is a symbol of Canada. The House of Commons is a symbol of Canada. When it conducts itself in ways unacceptable to all, then clearly Canadians are demeaned and belittled when their chief national institution is behaving in such a way.

We have to train ourselves to debate issues and not people. I believe we must do a much better job of re-examining the present rules we have for Question Period and make sure that they are obeyed. When it comes to the question of minorities, I guess I have only a few small examples of what it is like to be in that situation. The most dramatic example was either in 1960 or 1961 when I had the lifetime privilege of being in a forum in the Cow Palace in San Francisco with 22,000 persons, almost all of whom were black. Salted among

that group were just a very few white persons to listen to an address by Martin Luther King.

I remember so clearly one part of Martin Luther King's speech when he said: "The white people ask us to wait just a little longer. We have already waited for 200 years, how much longer should we have to wait?" The whole audience rose and cheered. I was a bit like a non-Catholic in the Catholic church. I did not know whether to genuflect, sit down or stand. I did not know whether to cheer or not, I was white. I could not sit there because that would be smug.

All of a sudden I was in this dichotomy of a minority and not knowing what to do with one's sense of behaviour. Therefore most of that night I was in a three quarter crouch halfway up and halfway down trying to compromise. In my heart of hearts, I felt the cause that was being spoken for and was so supportive of the views being expressed by Mr. King.

I do not subscribe to that little adage that says: "There is so much bad in the best of us and so much good in the worst of us, that there is no need for any of us to complain about the rest of us". The truth of the matter is that this place must by the demand of Canadians revisit itself and then go and wash.

I submit that while there has been a focus today on the issues of sexist language and racial language, this House must demand that we return to those days of 15 years ago when Question Periods imposed that there would be no long preambles. It imposed that there would be no innuendo. It imposed that there would be no imputation of motives because when that takes place the environment is poisoned. The whole air of what we are about is destroyed and then we get into the personal attacks. Of course no one can excuse that and of course no one ought to be able to somehow rise and justify that it came out of the mood of the moment.

The tap root of this is that it is the mood of the moment that is causing us not to discipline ourselves.

I say that this is a matter for which I think we can go some significant distance in trying to bring about the kind of respect this institution so justly deserves and that Canadians expect. I assert that if we do not give them what they are looking for, they will keep changing their members of Parliament over and over again until they get what they want. Canadians will not accept a House of Commons that behaves the way this one is at the present time and has for the last few years.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I just want to make a comment on the member's statement. I did not realize it before now but I guess Crowfoot must be a very left wing kind of place because the member and I agree totally on the matter.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, just a brief comment to indicate how I enjoyed the member's debate just delivered. It was a splendid speech. I am reminded of the editorial in a medical newsletter many, many years ago: "More reappraisal, less agonizing".

• (1900)

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, in reading the motion we have today I have to say that it is a motion with all the virtues and nobody can—

[*Translation*]

Mr. Speaker, no one could vote against such a motion, but I wonder if we will solve the problem. If the Government House Leader really wants to solve the problem of discipline and decorum facing us in this House, I wonder whether there would be another way to go about it. Does the hon. member who just spoke really believe that after a day of debate, which we have not yet finished, we can solve this problem? Mr. Speaker, I would like to have an opportunity some other day to speak on this motion. With my experience as whip, I would have something to say. With a day or two—I don't know how much time we will take to debate this motion—we can make great speeches, but what will it solve? By talking to one another— Just making a short speech to have us observe some decorum again would be too easy, Mr. Speaker.

You are indicating to me that it is seven o'clock.

[*English*]

The Acting Speaker (Mr. Paproski): I think we will just have to carry it on. It is seven o'clock.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

INCOME TAX ACT

INCOME AVERAGING

The House resumed from Thursday, October 10, 1991, consideration of the motion of Mr. Althouse that, in the opinion of this House, the government should consider the advisability of introducing amendments to the Income Tax Act so that taxpayers whose income may fluctuate from one year to the next would be able to average their income over five years.

The Acting Speaker (Mr. Paproski): Pursuant to the order adopted on Thursday, October 10, 1991, the House will now proceed to the deferred division on Private Member's Motion M-81.

Call in the members.

[*English*]

And the division bells having rung:

Mr. Hawkes: Mr. Speaker, on a point of order, this is a vote on a private member's motion. We have started to develop the habit of voting by rows on either side of the House on both the positive and the negative side of the motion.

I think it would be appropriate if we were to do that, to stand in that fashion rather than in the fashion in which we stand on government legislation.

The Acting Speaker (Mr. Paproski): Is there agreement that the division be taken by rows?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It is at this point that I should like to remind hon. members that the voting will begin with those members who are in favour of the motion in the rows to my right, to rise by row. Then would those members in rows to my left rise.

Later I will ask those members who are opposed to the motion in the rows to my right to rise and end with those members opposed to the motion in the rows to my left.

(*Division No. 49*)

YEAS

Members

Althouse	Angus
Axworthy (Saskatoon—Clark's Crossing)	Baker
Barrett	Black
Blackburn (Brant)	Blaikie
Breaugh	Brewin
Callbeck	Catterall
Clancy	de Jong
Dingwall	Duhamel
Edmonston	Finestone
Fisher	Foster
Gagliano	Gardiner
Grey (Beaver River)	Harvard
Harvey (Edmonton East)	Heap
Hunter	Johnson
Kaplan	Karpoff
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Kristiansen	Langdon (Essex—Windsor)
Lapierre	Leblanc (Longueuil)
Lee	MacDonald (Dartmouth)
MacWilliam	McCurdy
Mifflin	Milliken
Mitges	Murphy
Nystrom	Ouellet
Pagtakhan	Parker
Phinney	Proud
Ricard	Rideout
Riis	Robinson
Saint-Julien	Shields
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Stupich	Taylor
Tremblay (Rosemont)	Vanclief
Waddell	Walker
Whittaker	Wood—66

NAYS

Members

Andre	Atkinson
Attewell	Beatty
Belsher	Bernier
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Chadwick
Champagne (Champlain)	Charest
Chartrand	Collins
Cook	Corbett
Côté	Darling
Della Noce	Desjardins
Dobbie	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Fretz
Friesen	Gray (Bonaventure—Îles-de-la-Madeleine)
Harvey (Chicoutimi)	Hawkes
Hogue	Holtmann
Horner	Hudon
Hughes	Jacques
James	Joncas
Jourdenais	Kempling
Koury	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Malone	Manley
Mayer	McCreath
McDermid	McLean

Merrithew	Nault
Nicholson	Oberle
Plourde	Porter
Pronovost	Reid
Reimer	Richardson
Robitaille	Roy-Arcelin
Schneider	Sobeski
Soetens	Sparrow
Tardif	Têtreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vézina
Vien	Vincent
White	Wilbee

Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard—100

PAIRED —MEMBERS

DeBlois	Greene
Marleau	Stewart
Wappel	Weiner

• (1930)

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Pursuant to Standing Order 30(7), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Mr. Kaplan: Mr. Speaker, I want to inform you that there have been some consultations across the floor of the House and I believe you will find unanimous consent to deal very expeditiously with all three readings of a Private Member's bill which has proceeded through the Senate, Bill S-3, an act to amend the the act of incorporation of the Seventh-day Adventist Church in Canada.

I would seek permission to briefly speak to the bill.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

SEVENTH-DAY ADVENTIST CHURCH IN CANADA

Hon. Bob Kaplan (York Centre) moved that Bill S-3, an act to amend the act of incorporation of the Seventh-day Adventist Church in Canada, be read the second time and, by unanimous consent, referred to Committee of the Whole.

He said: Mr. Speaker, it is part of the understanding in the House that I will speak briefly on the bill and I am in a position to do so because the bill has proceeded through the Senate, was sent by the Senate to a committee, was spoken to by representatives of the church who have devoutly sought the amendments which are before the Chamber, which have complied with all of the requirements for amendment both internal to the proceedings of the church and corresponding with the requirements of this Parliament for the amending of legislation.

The Seventh-day Adventist Church is a Christian denomination well-known across Canada. It has been present in Canada for well over 100 years and was incorporated by an act of this Parliament. So amendments to its charter to bring it in keeping with modern times, in this case, to provide for a board of directors and to provide an expeditious procedure for establishing by-laws for regulating the affairs of the church are properly before us.

I would like only to add, on a personal note, the tremendous satisfaction that I feel in acting as a sponsor for this bill, an honour which I share with a former colleague in the other place, the late Senator David Croll, who was the sponsor of the bill in the Senate.

I have, therefore, the honour to present this bill and I thank my colleagues for agreeing to an expeditious procedure which is, however, justified in the light of the consideration by the Senate.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, considered in committee, reported, concurred in, read the third time and passed.

* * *

EMPLOYMENT

CONSTRUCTION INDUSTRY

Mr. David Dingwall (Cape Breton—East Richmond) moved:

> That, in the opinion of this House, the government should extend certain provisions and benefits of the Older Workers Adjustment Program to include those many Canadians employed in the construction industry.

He said: Mr. Speaker, I rise with regard to this private members' motion which has particular effects in the constituency I represent in this House, Cape Breton—East Richmond.

For quite some time, individuals involved in the construction industry have been calling for the active assistance and participation of the Government of Canada in order to become part and parcel of what is known in Canada as the Program for Older Workers Adjustment.

I wish to indicate to the House what the Older Workers Adjustment Program is all about and briefly to give a chronology of the things that have happened since 1984 and to submit my arguments in summation as to why I believe the Government of Canada in concert with the province of Nova Scotia should consummate an agreement on this important matter.

The Program for Older Workers Adjustment was designed to help long service older workers across the country who have no prospects for re-employment following major, permanent lay-offs. The program acknowledges the lengthy contribution of these men and women to the development of our country.

It should be noted that this is a federal-provincial partnership. The federal government is an active participant and not a mere bystander in this particular program. Its effective date was to take place with regard to lay-offs occurring on or after January 1, 1988, as being eligible for consideration.

The requirements for the older worker in order for him or her to be eligible for the program is that they must be between the ages of 55 and 64 and have been in the labour force for 15 out of the last 20 years with a minimum of 750 hours worked annually, have no alternative job opportunities, no prospects for re-employment through job training or mobility, are Canadian citizens or landed immigrants resident in Canada.

The construction association in Cape Breton, known as the Building Trades Council represents an umbrella group of the construction industry trade unions which numbers about 14 in total. For the record, I would like to share those with you: International Union of Bricklayers and Allied Craftsmen; United Brotherhood of Carpenters and Joiners of America; International Brotherhood of Electrical Workers; Labourers' International Union of Operating Engineers; International Brotherhood of Painters and Allied Trades; United Association of Journeymen and Apprentices of the Plumbing Steamfitting and Pipefitting Industry of the United States and Canada; Sheet Metal Workers' International Association; International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; International Association of Heat and Frost Insulators and Asbestos Workers; International Association of Bridge, Structural and Ornamental Iron Workers; Millwrights and Machine Erectors; International Union of Elevator Constructors; International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers. Those are the 14 unions that come under the umbrella of the Building Trades Council.

• (1940)

I have had the pleasure in my term as a member of Parliament to interact with numerous individuals involved in the labour movement. However, it has been a fortunate experience for me to be able to deal with the Building Trades Council because of its presidents, Mr. Ed McNeil, Dan MacDonald and other individuals who have been associated with it over the years.

In 1984 the Conservative government was duly elected in the federal election and shortly thereafter in 1985 in a statement made by the Minister of Finance a sum of money was set aside, approximately $200 million, for a program for older workers' adjustment. Shortly thereafter this organization, in concert with myself, made representations to the Government of Canada and the province of Nova Scotia to make construction workers across the country part and parcel of this particular program. In particular I was advocating that those construction workers on the island of Cape Breton and in those particular unions become part and parcel of this plan.

Between 1985 and 1989 I have raised this issue repeatedly on the floor of the House of Commons, as my colleagues will attest to. I have asked the minister numerous questions. He has been forthcoming and said that there would be some dialogue and some negotiations between the two levels of government to see whether or not something could be consummated.

In 1990, just over a year ago, the Government of Nova Scotia indicated to the Building Trades Council that now, after almost five years of hard representations, it was coming to the view that perhaps it might be able to provide some assistance and agree to undertake with the

federal government a program for older workers' adjustment in that province.

On October 11, the Parliamentary Secretary to the Minister of Labour and Minister of State for Transport said: "We are not able to amend the current program for older workers immediately. Hopefully there may be some other measures that can be taken for construction workers in Cape Breton". That is where it died. Nothing concrete has been done by government representatives since it was first introduced in 1985.

Is there a need? In my district and in the adjoining districts there are approximately 4,500 individuals who are involved in the construction trades industry. Upwards of 85 per cent of those men and some women are unemployed with no prospect of retraining for meaningful jobs and no prospect for any type of employment in that particular province.

Think about it. You are 54 or 55 years of age, you have worked as a bricklayer, you have worked as a carpenter, you have worked as a labourer for 25 to 35 years, and you try to seek meaningful employment when the economy is at its knees and while 84 per cent of your colleagues are unemployed. What do you do? The hard reality is that there are no employment alternatives on the island of Cape Breton. There are no meaningful prospects of retraining for other employment. There are a good 500 to 600 individuals of those 4,500 who would be readily available and eligible for a program for older workers, yet the governments seem intent on not proceeding with that particular initiative.

There is a human face to this tragedy, a real human face. Lawyers like to talk about the Constitution and they like to talk about the provisions of discrimination, but there is no group in our society who are more discriminated against than the older worker. If you are 54 years of age and are a labourer or a bricklayer your prospects for meaningful employment with a company are basically nil, if the truth be known.

The building trades in my district put forward a number of questions to their membership. They asked whether these older workers can obtain enough work to qualify for a worth-while pension through their respective unions. The answer is no.

Can they keep up with the fast pace in the construction industry today as an older worker? The answer is no. Can they plan some easy times in the twilight of their lives? No. Can they qualify for the program for older workers adjustment? No. Can they retrain and have opportunities for other work? No.

Can they develop a "nobody wants me, nobody cares about me" attitude? Yes. Can they become reclusive? Yes. Can they develop physical and mental problems? Yes. Can they become suicidal? Yes. Can they increase medical costs to governments, both provincially and federally? Yes. Can their life-span be shortened? Yes. Can their cherished families be disrupted? Yes.

I know many of these individuals and they are good, solid, decent, dignified citizens who in their older years want to have the advantage of having a source of income in order to provide for their families and their loved ones, to live with a measure of dignity in terms of paying their mortgage and providing the necessities of life and the amenities you and I take for granted on a regular basis.

These are not crackpot individuals, incarcerated in jails, who have abused children or other individuals. They are the individuals who are involved in minor hockey and baseball. They are the ones who go out and raise money for the Cancer Society. They are the ones who volunteer their time at fire departments. They are the men and women who add meaning to the lives of others by visiting the sick and the elderly in hospitals. They are what I would call top quality Canadians and what they ask of their governments, both federal and provincial, is to be allowed to have a sense of dignity.

The provincial government took five years and the prospect of a provincial election to understand the seriousness of their request only to have the door slammed by the Minister of Labour in Ottawa. In fairness to the Minister of Labour he made himself available to meet with the Construction Building Trades Union and it representatives, but he slammed the door on them with the facetious, specious argument that construction workers cannot be included in the program for older workers' adjustment across the country because it would be too expensive.

The Government of Nova Scotia said clearly in a letter to the Minister of Labour that if it could not be done under the existing program it would amend the program under the terms of the legislation in order to have these

individuals qualify. The Government of Canada slammed the door the third time.

• (1950)

I am not asking for $600 million to fund a project in a sensitive political area of this country. I am not seeking to bankroll a Crown corporation. What I am seeking on behalf of these men and these women in my district and through the island of Cape Breton is a sense of dignity for them and their families.

If the president of Petro-Canada, if the president of the Cape Breton Development Corporation or the CBC or VIA Rail can get a fat-sized bonus, upwards to $80,000 in some instances, why can't you afford to pay $1,500 to $1,700 a month for a man or a woman who has contributed 30 years of their productive life to a community?

What is the problem? The problem as I see it is one of political will, of acknowledging, of supporting those men who have made a significant contribution. They are not lawyers, they are not doctors, they are not business people. But they are good solid citizens. Is it not high time that the Parliament of Canada acknowledged that?

Instead, what do we have? We have what I believe is an uncaring government. We have the likes of the Minister of Employment and Immigration. I would love to debate that minister on the rock in Cape Breton, or in his own constituency. He had the unmitigated gall to stand in the House earlier today and on previous days in the House of Commons and make reference to Bill C-21. These construction workers in Cape Breton were told by the Government of Canada "Go talk to Dingwall, go talk to MacLellan, go talk to LeBlanc, and, if we get Bill C-21 through there is probably $100 million or so to provide a cushy pension for you".

Bill C-21 went through, with my opposition Mr. Speaker, but there are no pensions, there is no program for older workers or adjustment for the construction worker in Cape Breton.

What a mean-spirited argument to put forward to people who are in desperate need.

Mr. Speaker, I know that my time is somewhat limited, but I have to say to you and to members of this House that these are the kinds of issues that make Canadians very angry, when they see the President of Canada Post closing post offices and getting a bonus, terminating VIA Rail and getting a bonus, laying off people and getting a bonus. You work for 30 or 35 years of your life in a particular trade, contribute to your community, going to your church, contributing to your church, paying your taxes in order to educate your children, and what do you have? You have the parliamentary secretary over there talking about bingo. That is what he is talking about, bingo.

There is nothing wrong with bingo, Mr. Speaker, nothing wrong at all. That is the kind of attitude that those Canadians are confronted with by this government, and it is not fair. It is not fair. Is it any wonder the country is angry and mad, when those kinds of things can go on, when a bricklayer who may live in Glace Bay or a labourer who lives in Reserve or a painter who may live in Sydney, Nova Scotia, can not get the benefits of a program which was put down by the Government of Canada to assist those who are in real economic need.

I want to tell you again, Mr. Speaker, that it is not fair. It is not fair to those men, to their families or to the industry itself. I would hope that the parliamentary secretary would reflect on the desire to fulfil the need in his remarks and say to those individuals that "I will seriously review with the federal minister to open the door again and with the provincial minister in the province of Nova Scotia to open the door there in order to provide a pool of money and benefits for those who are involved in the construction industry".

Let us remember, 85 per cent of those individuals in the construction industry in that part of Nova Scotia are unemployed. Five hundred to 600 could avail themselves of that program today. The provincial government is on record as supporting them and wants to be a participant. It would even go so far as to amend the understanding between the federal and provincial governments in order to include them.

They are men and women who have contributed greatly to our society. There is no hope of retraining for other jobs because there are no other jobs. The need has clearly been demonstrated. If you do not believe me, Mr. Speaker, talk to your friends in the Upper House. The former premier of the province of Nova Scotia, a Tory premier, has even alluded to and concurred in the fact there is a real need there.

I ask the parliamentary secretary in good faith with great sincerity on behalf of those individuals, will he not now do the honourable thing and open the door, proceed with negotiations and consummate an agreement which will be effective in delivering a program for older workers adjustment to the construction workers in my district, in the island of Cape Breton and elsewhere in other provinces where they may want to be negotiated.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it is a pleasure to respond to the motion from the member from Nova Scotia. It proposes that the government extend certain provisions and benefits of the program for older workers adjustment to include Canadians employed in the construction industry.

I should mention from the outset that this program does treat the construction industry like all others.

The argument or debate that was carried forward by the previous speaker was a very emotional one. I am sure it is one that caught the attention of all the people back home and I guess that was what it was meant for. This is an emotional topic. There is not one of us in this House who would not want to see any particular program extended to take in all considerations, all groups of people.

The POWA, the adjustment program that we are speaking about, was brought in by this government, not the other side of the House. We brought it in because we recognize the problem. There is not a riding in this country that has not been affected by the lay-off of older workers. My riding is the same as yours, Mr. Speaker. I will tell you it is almost punishing for a member of Parliament to witness that in their own riding. Many of these workers cannot be retrained. They are beyond the point of being retrained.

As the member mentioned, you can see the disappearance of their livelihood, the disappearance of their whole life. We do not want to see that happen. We want to see this program continue.

The fact is that it is working very well. Can it work better? Obviously it can. At the end of the day it requires dollars to make this program work. The member mentioned the $200 million that was put into the program originally and it was put in by this government. It is a federal-provincial program. I think the member should have mentioned the percentages and how it plays out in terms of dollars. The federal government contributes 70 per cent of the cost of that program, and we do work in co-operation with the provinces, no question about it. If there is an individual need in a particular province and they want to bring it to our attention, we are more than willing to look at it and to work with them co-operatively to solve the problem.

I want to go through the criteria for the individuals who are on that program. I think it points out very, very clearly that we are sensitive to that problem as a government. To be eligible for benefits, workers from a designated lay-off, and it is very important that I use that term—Mr. Speaker, if I could have your attention for a minute. When the gentleman across the aisle spoke every one of us over here had the respect to listen. We did not shout, we did not try to scream him down, and I would expect the same courtesy to focus on the speakers on this side of the House.

The key words are "designated lay-off". With a designated lay-off for the workers to qualify they must be between the ages of 55 and 64 at the time of the lay-off. They must have worked a minimum of 750 hours per year for 15 years of the preceding 20 years. In addition, candidates must be Canadian citizens or landed immigrants and they must have no alternative job opportunities.

One of the things that is confusing the member opposite is the fact that he mentions construction workers. He is speaking about 4,000 to 4,500 construction workers. The real problem is unemployment itself. Now, he can blame the government for that and I guess we have got to take our share of responsibility. But out of that 4,500 workers—if you could give me just a minute.

Could I get unanimous consent, Mr. Speaker, to continue?

Mr. James: On a point of order, Mr. Speaker, I wonder if there is unanimous consent to carry on the full hour to 25 after? There are a number of speakers who want to speak.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: No.

The Acting Speaker (Mr. Paproski): The time provided for consideration of private members' business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being eight o'clock p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 8.00 p.m.

HOUSE OF COMMONS

Thursday, October 24, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

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

* * *

[*Translation*]

CANADA PENSION PLAN

MEASURE TO AMEND

Hon. Marcel Danis (for the Minister of National Health and Welfare) moved for leave to introduce Bill C-39, an Act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Danis (for the Minister of National Health and Welfare) moved that the bill be now read the first time and printed.

Madam Deputy Speaker: Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

PETITIONS

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I have the honour to present a petition from people in Dubuisson, Malartic, Joutel, Sullivan and Val-d'Or, who respectfully submit that the Canada Labour Code must comply with the principles set forth in the Canadian Charter of Rights and Freedoms and therefore must protect women's rights.

For these reasons, they ask Parliament, when it reviews the Canada Labour Code, to consider seriously the deficiencies in it and to recognize the need to include in the Code clauses concerning the preventive withdrawal of pregnant women, with pay.

GUN CONTROL

Mr. Guy Saint-Julien (Abitibi): I have a second petition, Madam Speaker, from people in Cornwall, St. Andrews and Summerstown, Ontario, concerning firearms. They say that the accessibility of firearms is a key factor in homicides, accidents and suicides. Many types of firearms that are easily available in Canada are not necessary for legitimate purposes like hunting and competitive shooting. They ask Parliament to legislate now to ban everyone with a criminal record from owning a firearm.

[*English*]

YUGOSLAVIA

Hon. Pauline Browes (Scarborough Centre): Madam Speaker, I am presenting a petition today on behalf of citizens of Canada who are deeply concerned about the situation in Yugoslavia.

They are aware of the representations made by the Government of Canada to the United Nations to intervene to cease the violence. They are outraged about the crimes of humanity that are evident there and they desire the independence of Croatia and Slovenia.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is an honour to present a petition, pursuant to Standing Order 36, for the residents of Barriére and Louis Creek, British Columbia. They point out their concerns regarding the announced intention to dam the North Thompson River at Valemount, thereby directing water into the San Diego, California area.

They are asking the Government of Canada to state simply, once and for all, that our rivers in this country are not for sale.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): On another matter, the citizens of the city of Kamloops are concerned that the government has indicated plans presumably to curtail support for the RCMP at present levels.

They point out that these cuts would reduce and erode the service and effectiveness of police protection in their communities. They are asking the Government of Canada to restore and maintain proper funding to the RCMP so that it can fulfil its mandate and role as the only visible police force for many communities across British Columbia and remain a viable symbol of Canadian unity.

RU-486

Mr. Walter Van De Walle (St. Albert): Madam Speaker, pursuant to Standing Order 36, it is my pleasure to present a petition to the House today which requests that this government address the issue of drug RU-486. The petitioners are concerned that this drug, which causes the abortion of human foetuses at an early stage of development, will be introduced into Canada.

The petitioners therefore call upon the Government of Canada to withhold approval of RU-486 and prevent the marketing and/or testing of this drug to ensure that it may not at some future date be used to induce abortions.

PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Madam Speaker, I have a petition which has been circulated around Canada. The people who have signed this petition are in favour of the use of the port of Churchill.

From the province of Manitoba we have petitions from Brandon, Churchill, Rapid City, Cranberry, Portage and The Pas; from Saskatchewan we have petitions from Harris, Zealandia, Sturgis—including the mayor and council of that community—Norquay, Regina, North Battleford, Liberty, Imperial, Stalwart, Porcupine Plain, Tisdale, Biggar, Kamsack and Prince Albert; and from Ontario, Don Mills.

These petitioners call upon Parliament to make sure that the port of Churchill is used and that we recognize in the changing world situation that it provides a unique opportunity for the federal government to develop, expand and promote further the indisputable potential of Canada's only inland sea port.

Further they point out that there is a need for the federal government to act immediately to develop a strategy in order to utilize this important seaport to ship exports as well as grain.

Wherefore the undersigned petitioners humbly pray and call upon the House of Commons to direct the minister responsible for the Wheat Board to ensure that for the upcoming shipping season usage of the port of Churchill be maximized at the very least for 3 per cent of Canada's annual grain shipments through the port of Churchill and that the government act immediately to maintain, further develop and promote the port to handle exports in addition to grain.

[*Translation*]

PUBLIC SERVICE

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have two petitions to present to this House today. Pursuant to Standing Order 36, I have the honour to present some petitions from public servants who, of course, express their great disappointment with the Conservative government's attitude in the dispute of recent weeks concerning public servants' salaries.

[*English*]

AGRICULTURAL ASSISTANCE

Mr. Don Boudria (Glengarry—Prescott—Russell): I have another petition which is signed by a number of farmers in the province of Ontario who want to make this government aware that they are very dissatisfied with the low levels of commodity, grain and oilseed prices in this country and that they are expecting some relief from the federal government. They want this assistance to be this year, not some decade in the future.

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, in accordance with Standing Order 36, I have the honour to present a petition from a number of Canadian residents in Toronto, Brampton, Scarborough and Downsview who are concerned with the continuing policy of this government to carry on low level flight training over Nitassinan, the land of the Innu people in Labrador and Quebec.

• (1020)

They ask this Parliament to join with the Assembly of First Nations, the Innu and other aboriginal peoples of Canada in opposing the use of their lands anywhere in Canada for NATO and NORAD attack training and to demand that the Canadian government end all NATO and NORAD low level flight training in Canada and redirect Canada's NATO and NORAD funding toward enabling Canada's aboriginal peoples to regain control of their lands and their livelihood and toward promoting sustainable development for all Canadians.

NORTH THOMPSON RIVER

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, under the provisions of Standing Order 36, I am pleased to table a petition in the House signed by residents of British Columbia regarding plans by Multinational Resources to dam the North Thompson river.

The petitioners call upon Parliament to urge the government to state categorically that it will not permit our fresh water rivers to be dammed and diverted into the U.S.A. and to state that our Canadian rivers are not for sale. This is a particularly important issue for the residents of Valemount in my constituency.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

Routine Proceedings

MOTION TO ADJOURN UNDER S. O. 52

YUGOSLAVIA

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, under Standing Order 52 and pursuant to the notice which the Chair received earlier this morning and which it now has, I would like to move, seconded by the hon. member for Bonavista—Trinity—Conception, that this House engage in an emergency debate on the escalating crisis in Yugoslavia.

Very briefly, Dubrovnik in the last 36 hours has come under heavy artillery rocket fire attack by the Yugoslav army and navy. The bombing has caused extensive damage to the centre of that city, the ancient medieval city known as the Pearl of the Adriatic. It marks the first destruction of that old city despite the fact that it was established in the 14th century, survived the Turkish expansion and two world wars. The attacks seem to be intensifying hourly, according to my information.

The old walled city has been recognized by UNESCO as a class *o* cultural monument of world international importance along with things like the pyramids. In a less vicious way the city has been under siege for the past 25 days. I understand there are presently over 65,000 civilians taking refuge within its walls. It has been under bombardment by land, air and sea, as I have said, for 36 hours. I would point out that the Yugoslav army became a signatory to international law in 1955, a law that requires the protection of cultural historic monuments of world importance and significance.

All this is happening 24 hours after the Yugoslav army general flatly rejected participation by the European community brokered peace plan. At the same time the army, as I understand it, condoned a mobilization of reservists in an all-out offensive on the democratic republic of Croatia.

In those indicated circumstances, especially given what has happened in the past 36 hours, I would ask that the Chair consider under Standing Order 52 the granting of an emergency debate.

[*Translation*]

SPEAKER'S RULING

Madam Deputy Speaker: The Speaker and I discussed this situation very seriously earlier this morning. We are very aware of the gravity of what is happening in Yugoslavia now. Nevertheless, we believe that it might be wise for all three parties to discuss this situation together and agree among themselves that the House should discuss this subject in the very near future. However, we do not consider it appropriate to interrupt the debate planned for today; this does not mean, though, that in the very near future, the Chair would not see fit to do so.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—ESTABLISHED PROGRAMS FINANCING

Mr. George S. Baker (Gander—Grand Falls) moved:

That this House condemn the government for reducing the level of transfer payments to the Atlantic provinces, thereby threatening the stability of health care and education, and further condemn the government for its destructive policies toward the fishery, the railway and the post office.

He said: Madam Speaker, today we will be asking the Chair to permit us to reduce the time of our speeches on this side of the House to 10 minutes each, followed by a 5-minute question and answer period. A lot of members on this side want to express their opinions and lay upon the table of the House the facts regarding transfer and equalization payments from the federal government to the four provincial governments in Atlantic Canada.

Our chairman of the Atlantic caucus, the hon. member for Dartmouth will in a few moments outline our main concerns with government policy. Later the hon. member for Burin—St. George's will outline as well the problems we are having with transfer payments, the fishery and other things of major concern to the province of Newfoundland.

One of our colleagues from New Brunswick will outline the substantial reduction in transfer payments. The news has quoted a $100 million reduction to the province of New Brunswick.

Another colleague from Prince Edward Island will be able to lay on the table of this House the most recent figures on transfer payments.

My colleague from Prince Edward Island will be able to show that there has been a substantial reduction in the equalization payments from the federal government to certain provincial governments in Atlantic Canada. This is according to figures from the federal Department of Finance that were given to members of Parliament just a couple of days ago. In other words, they are up-to-date figures for October of this year. We are requesting, Madam Speaker, that you recognize us for 10 minutes at a time so that we can present the case as strongly as possible to the Canadian people and to the Government of Canada that they need a major policy change.

The major point that I want to make in introducing the debate relates, as our motion says, to the destructive policies of the Government of Canada toward our major industries. One of my colleagues from Cape Breton Island will be speaking later in this debate and showing how the sale of the railway by the Government of Canada is threatening a forest products industry on Cape Breton Island located in Port Hawkesbury. He will present to the House the facts of the potential loss of hundreds and hundreds of jobs.

I have two pieces of paper in my hand. One is a news release by the Government of Canada issued two days ago and the other is a communication from the Soviet Union to a department of the federal government.

• (1030)

The press release that was issued just two days ago said that Canada has notified the Government of Japan of the approval of licences permitting seven Japanese vessels to fish a portion of Japan's international quota for blue fin tuna in Canadian division 3-0. Two days ago Canada notified the Government of Japan that seven of its fishing vessels can come inside our 200-mile zone this year and fish a portion of their international quota for tuna in competition with our Canadian fishermen.

Of course the reason why this was made in a news release was because it goes on to say that last year they allowed 16 vessels in from Japan. Then they go on in the news release and say that it was only five or six years ago that they allowed in 100 vessels. They brag about the fact that they are now allowing in only seven Japanese vessels. It is quite a statement to make because the quotas have not changed. You could allow in seven vessels 200-feet long and it is the same as 100 vessels 30-feet long.

The quotas for this year agreed to by the Canadian government stand at 1,300 tonnes to the U.S.A., 700 tonnes to Japan, and 550 tonnes to Canada for that fish stock. We are saying to our Canadian fishermen: "You cannot have any more licences. Your quota is frozen at 560 tonnes. You are not allowed to have any more licences but you can come and fish inside our 200-mile zone in 1992 while our fishery is in such disarray".

I went over the figures for before coming here today with the department. They showed that last year Japan not only caught its blue fin tuna inside our 200-mile zone but it caught unlimited amounts of albacore tuna, swordfish, big-eyed tuna, yellow fin tuna: unlimited quotas for big eye and yellow fin. We say to the Government of Canada: "Open your big eye. Forget your yellow fin and kick them out".

Some hon. members: Hear, hear.

Mr. Baker: The second piece of paper—I guess I am getting close to my limit—is a list of foreign nations. There are 12 and then there are others that have been given quotas by this government for 1992 all around the coasts of our Atlantic provinces.

There is not only tuna, but there is codfish, red fish, American plaice, yellowtail, witch, capelin and squid. As if that were not enough, every member of the Liberal Party in this House and I have a copy of the scientific advice because we asked for it. Our scientists and those of the U.S.S.R. and the Scandinavian countries sat down in a meeting in Halifax, Nova Scotia. They told the representatives of our government and every other government listed on this paper to stop it. They told them that for a zone called 3-M to continue the moratorium.

Do you know what the Government of Canada did? It did not continue a moratorium because it is a nursing ground for fish. It assigned quotas of 13,000 tonnes. It gave eight foreign nations 12,865 tonnes and Canada 100 tonnes off the coast of Canada.

What is wrong with the fishery? It is not the water, the ice, the cold water or the plankton. The fault is the Government of Canada. It is destroying our industries. It has reduced our equalization payments. It should be ashamed of itself. We hope it will listen to our arguments today and change its policies.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I want to thank my colleague from Gander—Grand Falls for such an interesting display of facts. He has demonstrated the sadness of the situation by his presentation.

I also thank him for the overture to this orchestra this morning and afternoon which is going to be to come clean with Newfoundlanders, Atlantic Canadians and the Canadian public in this House. It will show what devastation and demoralization has been caused to Atlantic Canada by this government and its destructive policies.

We do amazing things when we are upset about policies. I will talk about the subject the hon. member mentioned. I know it is dear to his heart. The total allowable catch for fish in Atlantic Canada last year—

Mr. Mazankowski: TAC.

Mr. Mifflin: TAC. I appreciate the minister's intervention. I am amazed at his knowledge. I really am.

The total allowable catch was 190,000 tonnes last year. Foreign overfishing, not fishing but overfishing which is fishing that they are not supposed to be doing, accounted for 150,000 tonnes. That is almost equal to the amount of fish allowed to be caught off our own coastline.

I asked a question of the hon. Minister of Fisheries and Oceans and I know that my colleague is very much associated with this. I would like to give him the answer I got and I would like him to comment on it.

The answer I got was: "The hon. member says we allow foreigners. The hon. member should come clean with Canadians". I should come clean with Canadians and tell them that no foreign trawlers are allowed within the 200-mile economic zone, except according to the rules of NAFO, and that is the reality. If that is the reality, how in the name of the Lord can we account for 150,000 tonnes of overfishing?

I would like the hon. member to comment on that.

Mr. Baker: Madam Speaker, the hon. member for Bonavista—Trinity—Conception is going to be laying his evidence on the table of this House later on in this debate today. He represents a riding in which fishermen have been arrested day after day. Some 22 vessels have been arrested recently. Most of them were from the hon. member's riding.

The minister of fisheries is behaving like *Terminator II*, going out there and grabbing every one of his fishing vessels in 3-O. The Spanish and those of every other foreign nation were left alone because they claimed they were not fishing and because the Secretary of State for External Affairs has to give permission before they are boarded but not before the Canadian vessels are boarded. Under the NAFO quotas the foreign nations receive 150,000 tonnes legally, licensed by the Canadian government. There is an additional 209,000 tonnes of Canada managed fish stock on the east coast of Canada last year that were assigned to foreign nations that were so-called in excess of Canada's needs. That adds up to 350,000 tonnes.

• (1040)

The hon. member is right about the northern cod stock, the 190,000 tonne quota. The foreigners were catching 150,000 tonnes outside of that. When you add up the total take of fish in all parts of eastern Canada the foreigners are legally able to take almost as much as the entire Canadian fishing industry.

I want to illustrate it by concluding with this and to tell the hon. member that a letter was sent from the Soviet Union to Canada. I have a copy of it. It is dated March 22, 1991 and says: "The Soviet side undertakes to consider the terms of an exchange with the Canadian side of part of 3NO cod quota for additional Canadian allocations".

The Soviet Union, given cod inside our 200-mile zone for this year, given cod by this government, writes to the Canadian government saying that perhaps they will give up some of it if they are given some other type of fish assigned by the Government of Canada.

Our fishermen are wondering if they have to get a foreign flag to fly on their boats in order to be able to fish off the coast of Newfoundland.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, it is not with a great deal of pleasure that I speak in this debate today. I believed when I first got elected here that the Government of Canada had a responsibility to govern all of the citizens of the country with fairness and equity in mind. It is becoming increasingly apparent, particularly over the last few days, that that sense of fairness, equality and duty are no longer there.

I would like to try to give some indication to the House and to those people who are watching exactly why we in the Atlantic, a vital part of this country, absolutely condemn and reject this government's economic policies. It has amounted to nothing short of an absolute assault and battery on each and every individual Canadian that is living in any region of this country outside of the have provinces, but most particularly those that live in the region of Atlantic Canada.

Back in 1988 when the government came into power it tried to cleanse its record of neglect in dealing with Atlantic Canadian economic issues. Just prior to that, in 1987, the Prime Minister made a major announcement saying that his government, as it was constitutionally bound to be, was in support of the principle of equalization, and the way that they were going to pursue their program of equalization was clearly going to be with a new program. I am going to quote the Prime Minister when he announced the $1.05 billion which was going to be the panacea for the economic ills of Atlantic Canada. He announced the creation of the Atlantic Canada Opportunities Agency and he said: "We begin with new money, a new mission, and a new opportunity".

My, my, my, Madam Speaker, just a few years later how those words ring hollow.

The facts, which I am going to present, will show very clearly that this government and the statements of the Prime Minister back in 1987 have been absolutely contradicted by its actions.

The reason we are debating this today is that just a few days ago the provincial premiers in Atlantic Canada found that because of a quirk or a change or a formula that was kicking in in the equalization program, the amount of money they expected to get this current year would be diminished by over $170 million. It is not $170,000, but $170 million to Canada's poorest region, a place where there are only 2.2 million or 2.3 million people.

I want to make everyone aware of what equalization is. It is an unconditional—I want to underline that—an unconditional transfer to the provinces. What is it there for? It is there to ensure that the constitutional requirement that Canadians no matter where they live have a right to expect programs of a national standard are able to be maintained. That is what it is there for. In

provinces like Newfoundland where the unemployment rate is 70 per cent above the national average; in Prince Edward Island where the per capita income is 32 per cent less than the national average, the government, the Minister of Finance's own press secretary two days ago came out and said: "It is $170 million in cuts, so what. We've got $170 million in cuts because the economies are performing so well in Atlantic Canada". What utter nonsense and what arrogance.

Tell that to the fisherman who is going to face a winter on welfare, if he can get welfare from nearly bankrupt municipalities in Atlantic Canada. Tell that to the people who are waiting for hospital beds in parts of Atlantic Canada because the provincial government's do not have the fiscal ability any more with the cuts that have taken place to provide quality health care of national standards. Tell that to the students who because of rising tuitions and no job opportunities in Atlantic Canada cannot pursue their post-secondary education.

This government has struck at the very heart of what this country is all about in its crazy attempt to impose its fiscal regime and straitjacket on all Canadians.

It was Liberal governments which put in these programs that believed in the principle of equality and fairness, that believed in equalization and sought and got it put right into our Constitution in 1982. It is part of our Constitution. It is not part of some other piece of legislation that can be easily amended or changed by a majority in this place. National standards are part of our Constitution.

Previous Liberal governments believed it was important to redistribute wealth not just through equalization but through a process called economic regional development agreements whereby the federal government became a partner in the poorest provinces in this country in putting forward programs in fisheries development, quality enhancement, not just welfare payments. Money was put into programs to ensure that our fisheries was more efficient. Money was put into our forestry for silviculture so that it truly was a renewable resource. Money was put into special manpower training and mineral development and mineral exploration agreements because it was a real attempt—which was starting to work—to make sure that those regions were have regions, not just regions that constantly were on their knees begging a benevolent Ontario for more money. That was the principle.

Between 1984 and 1989 there was $114 million worth of agreements. I am wrong, $1.144 billion worth of agreements that expired, in 1984 dollars. They provided tens of thousands of jobs in Atlantic Canada. What did this government do? Did it do the right thing? Did it go back in and renew those agreements? Maybe it did. It provided $272 million which would be the equivalent to probably about $150 million, 10 per cent, almost, which is a 90 per cent reduction in funding available for regional development agreements. That has caused us a crippling blow in Atlantic Canada.

In addition to that it came out with freezes on EPFs. That is transfers to the provinces for Established Programs Financing, programs in health care and programs in post-secondary education, which is a little different from equalization. These dollars are specifically to go to those provinces to ensure that the men, women and children who live in those provinces have programs of national standards in health care and programs of national standards in post-secondary education, a principle that this country was born on and that it developed on.

What does this government do? It walks in and it cuts. Boy did it cut. It cut to the quick. For example, in little Prince Edward Island the effect of the freeze on any increase in EPFs, means this to every one of you people out there in P.E.I. Sixteen million dollars less will come in for hospitals and health care in P.E.I. this year, $7 million less will come in for post-secondary education. My goodness, there are only 130,000 odd souls in Prince Edward Island. Have you any idea what the effect of these callous and cold cuts in EPF are having on the ability of provincial governments to deliver those services with national standards?

• (1050)

In Nova Scotia, $111 million less will be transferred through EPFs to support health care. In Newfoundland, there will be $29 million less for post-secondary education. Do you wonder why we are standing in this House

today and saying that this government has gone absolutely against our very own Constitution here.

The government will tell you that regional disparity is not really a problem, that it has improved the relative standing of the Atlantic. I want to read this quickly: "In 1988, unemployment in Newfoundland was 53 per cent higher than the national average in 1982, but had increased to a level of 110 per cent higher as of 1988." That is a real measure of regional disparity. The regions in the Atlantic provinces are not closing the gap, the gap is getting bigger. Each time this government comes in with regressive, Draconian cuts, like it did yesterday or the day before, it gets worse.

I wish I had two days to speak on this, but I do not, I have about 30 seconds. I want to finish by quoting one thing here. I am quoting from the Constitution Act, Part III, Section 36 which is the mandate of the Government and the people of Canada. It states:

> (a) promoting equal opportunities for the well-being of Canadians;
>
> (b) furthering economic development to reduce disparity in opportunities; and
>
> (c) providing essential public services of reasonable quality to all Canadians.

I submit to you, Madam Speaker, that what this government has done with the series of cuts that it has undertaken over the last two years has been tantamount to violating the Constitution of this country. What it has done is ensure that there are two classes of Canadians, those that have and those that have not. Unfortunately those have not mostly reside in Atlantic Canada. We will have no more of it.

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, I would like to comment on the speeches of the member from Gander—Grand Falls and, as well, the member for Dartmouth.

What they have shown is that this government's economic policies are bankrupt. It shows that we are selling out our natural resources to foreign countries. I think it is unacceptable for Canada. The government is not defending the rights of Canadians.

What the government is doing, like in the free trade agreement, is selling out without tough bargaining and I cannot accept that and Albertans cannot accept that either.

So I would like to congratulate both members for their speeches.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I have not had the privilege of hearing all of the comments of my friends opposite. I have to say I was struck by the comments on the Constitution and what was unconstitutional and what was not, having just left the constitution committee meeting down the hall and not intending to enter into this.

I would like to draw two points to the House's attention. Last week in Bell Island in my constituency, I was attending a fund raising dinner sponsored by the Bell Island Economic Development Committee on behalf of the Wabana Boys and Girls Club. The guest speaker was the Hon. Clyde Wells. He is a man I have differed on many issues with, but a man that I have a considerable respect for, enhanced, if I may say, by his comments recently on the Constitution. I have to say that the man flabbergasted me, perhaps not for the first time, but I sat and listened to the Premier of Newfoundland and Labrador talk about the fiscal position, the reduced expectations and the changes in transfer payments. However, the point that he was making to 100 people in that room was that the position of the Government of Canada was responsible and the only one that was acceptable under the conditions that we face.

I just throw that to the floor. I was as aghast as I know my friend from Grand Falls—Gander would be. I know he shares the view of the premier, as he does on many things.

I do want to say one thing, and I know the minister intends to talk about some of the things my friend from Dartmouth has said, particularly in terms of numbers and the cuts as opposed to reductions and increases.

I think it is essential to know that the commitment of this government, and I think the commitment of this House in the constitutional sense to regional disparity, is entrenched in the concept of equalization and the sharing of resources is absolutely essential.

I look forward to the discussion of that concept in the constitutional context, not only as it reflects the position of the Government of Canada, but the position of the other two main line parties in this House.

Mr. MacDonald (Dartmouth): Madam Speaker, I am very pleased that my colleague from St. John's has entered into the debate. He is an Atlantic Canadian and he knows full well that Atlantic Canada has been able to develop and prosper because of Liberal policies such as equalization and fiscal transfers. He knows that full well. He sits on the side of the government that has done everything in its power to dismantle those economic tools of nation building.

Madam Speaker, anybody who tries to tell you that a constitution has nothing to do with economies is crazy. If peoples' economic well being is looked after, they are probably going to be able to find accommodations and compromises on those other things that divide us and which are currently the subject of great debate across this country as to whether or not we can truly stay together.

As far as the comments by that great Liberal Clyde Wells are concerned, I am certain that Premier Wells is in a very difficult position. He is dealing with a federal government that has basically bankrupted the country because of its fiscal mismanagement. Clyde Wells probably tells the truth in this case. Clyde Wells says he can understand what is going on, because these members opposite, the government opposite, has virtually bankrupted the country.

Many would argue that we are no longer a viable, competitive force internationally because of the high dollar, high tax and high interest rate policy of this government. So I can understand Clyde Wells.

I want to make one final comment, since the hon. member wants to talk about the Constitution. The Prime Minister of this country is very good for giving very verbose comments on the national and international stage about competitiveness. When these new constitutional proposals were put down in this House, he also put some papers down talking about a new economic renewal in Canada. Madam Speaker, if what we have seen over the last two years is any indication of his new economic vision, I can say firmly, and I know with the support of a majority of the people in Atlantic Canada, if that is their vision, thank you but no thank you, your vision is our nightmare.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I welcome the opportunity to participate in this debate because the motion and the comments that have been made in speaking to the motion are misleading and inaccurate. It gives me an opportunity to set the record straight.

The issue of the equalization recalculation is not a surprise. It is not a quirk. It is not a change in policy. It is a fact of life. It has been there for many years, since equalization has been in place. There are no surprises. All the provincial governments involved know this. Their officials have been well aware of this. This is a very normal occurrence. For hon. members to express outrage is totally erroneous and misleading and not in accordance with the facts.

I want to deal with three specific points in addressing this issue, Madam Speaker.

The first point is this. We are not slashing, we are not robbing and we are not massively reducing transfer payments. That is categorical. The fact is that we are increasing transfer payments. We have increased them enormously and we will continue to increase them. As a matter of fact, in 1984–85 total transfers to the provinces including cash and tax transfer points amounted to $25.6 billion. In 1992–93 the projections are $38.1 billion, which means there will be an increase over that period of time of $12.5 billion. Common sense and logic would tell you that that is not a reduction, that is an increase and that fact has to be made.

• (1100)

I could go through each and every one of the components that make this up. EPF, which we have heard so much about, Established Programs Financing which provides assistance to the provinces for health, welfare and education, in 1984–85, the figure was $14.568 billion. This year, the figure is $20.368 billion and in 1992–93, they will continue their rise and will reach $20.620 billion.

How these members can stand up in this House and condemn the government for reducing transfer payments and do it with a straight face is beyond me. I do not understand it. Surely, this is a time when we should have an honest debate. There has got to be some

integrity restored in this institution if it is going to have any credibility.

It is starting right there.

An hon. member: Be nice.

Mr. Mazankowski: When you lay out the facts and speak the truth in here, they get fidgety because they are paranoid. They continue to mislead.

Some hon. members: Order, order.

Mr. Mazankowski: Maybe it is not deliberately, but it becomes habit forming. It is time to set the record straight, and that is the first point that I want to make.

An hon. member: That applies to you.

Mr. Mazankowski: The hon. member over there, as long as he is dishing it out, he does not mind. He thinks it is a great place.

When you take them on and set the record straight, they either run for cover or they try to interrupt you, or try to shout you down.

The second point that I want to make is this. The expenditure restraint plan that is put in place has restricted the growth of fiscal transfers. That is true. We have asked everyone to become part of the solution in terms of dealing with the huge deficit and debt problem, and I think all hon. members recognize that.

All we are really asking everyone to do, and we are asking the provinces to do as we are trying to do, which is to contain the level of expenditures at the same percentage level of increase on an annualized basis in transfer payments as we are in terms of our over-all program payments.

We are containing our increase in program payments roughly in the area of 3 per cent and we are asking that these transfers be contained roughly in that percentage as well, but there are exceptions. One of those exceptions is, in fact, the equalization and the point that the hon. members are trying to take issue with here in terms of the transfers to the provinces under equalization.

The equalization program transfers have been exempted under the Expenditure Restraint Program. As a matter of fact, this happens to be the fastest growing expenditure in government. It is the fastest growing expenditure in government at an annualized rate of 8.3 per cent. It is 8.3 per cent on an annualized basis. As a matter of fact, since 1984–85 when we came into office, the growth of expenditures under equalization have increased by 61 per cent.

These guys across the way are trying to suggest that we are massively reducing and robbing from the provinces. That is absolute nonsense. If we have a situation where Canadians watch this institution, I think they believe what they hear. I plead with Canadians. We will document every fact that I am outlining here in the House today. Let us look at it.

Equalization: In 1984–85, the total expenditure was $5.422 billion. For this year, it is expected that that will rise to $8.465 billion and next year it will rise to $9.048 billion. Madam Speaker, I ask you: Does that sound like a reduction? Does that sound like a massive reduction? No. It is a massive increase.

The hon. member for Dartmouth just finished criticizing us for our economic policy. He said: "This government's high tax, high interest, high dollar policy, is destroying—". Interest rates are down. He wasn't around here 10 years ago today, Madam Speaker, when the prime rate was 22.75 per cent. As a matter of fact, 10 years ago today, the five-year mortgage—listen to this—the five-year mortgage was 21.75 per cent. Even when his leader was in office in 1979, the chartered prime rate was 12 per cent. The chartered bank rate today is 9 per cent, the lowest in 13 years.

He wants to raise taxes. Where are you going to get the money from? You want to spend more money; tell us where you are going to raise the money. Tell us where you are going to raise the money. If you are so good as resolving regional disparities, how come you did nothing about it in 25 years when your government was in office? Where were you? You didn't conceive of a program like ACOA.

Mr. MacDonald (Dartmouth): Defend your own record, you are the Minister of Finance.

Mr. Mazankowski: I certainly will, and I will tell you it is a heck of a lot easier meeting a 9 per cent prime rate than a 22.75 per cent rate. I can tell you that any day.

What does this mean in terms of equalization grants on a per capita basis? Let us lay this out on the table, Madam Speaker, because I think Canadians have a right to know.

Equalization per capita, that is per person, 1991-92, the province of Newfoundland, $1,649 per person; the province of Prince Edward Island, $1,531; the province of Nova Scotia, $1,050; the province of New Brunswick, $1,201; the province of Quebec, $554; the province of Manitoba, $896; Saskatchewan, $498; and, of course, the provinces of Ontario, Alberta and British Columbia get nothing because they are classified as the so-called have provinces.

I put these figures on the table because it clearly demonstrates that Atlantic Canada is getting the most out of the equalization payments on a per capita basis. I think that has to be clearly put on the record.

The third point I want to make is that the best guarantee to preserve our health care and education system across the country is to renew economic growth and sustained recovery with price stability, but for that to happen we have got to identify and get at the root causes of our problems, and that is to bring interest rates down. Interest rates are the key to stimulating economic growth. In order to get interest rates down, you must bring inflation down and you must bring the growth of expenditures down. You must tackle the deficit and you must tackle inflation.

This government has done both. We are making progress on both fronts. We must make progress on both fronts if we are going to lead to a sustained economic recovery.

I am pleased over the fact that over the last six month period the annualized rate of inflation was 2.5 per cent. I think it is better than any of us ever expected. That is very fundamental and very important if we are going to achieve two goals, the goal of price stability and the continuing decline in interest rates.

Our interest rates have gone down by almost 600 basis points or 6 per cent since the high of May 1990. The deficit and the way in which we manage our fiscal affairs is very, very vital and integral to identifying and tackling this problem. We must continue along the program of government expenditure restraint. We must continue to ratchet down the deficit. Our plan is to bring the deficit down to a level somewhere in the order of $25 billion in the next fiscal year, and by 1994-95 we will be in a position, hopefully, where we will not have to continue to borrow to meet our essential needs. At that point in time we can start paying down the debt.

• (1110)

This requires tough decisions. Everyone has to be a part of the solution. I am glad the hon. member for Don Mill is here, because I respect his interest in economic issues and I respect the fact that he attempts on every occasion to be constructive in dealing with these issues.

If we look at where we were prior to 1984-1985, the Government of Canada was spending $1.33 for every dollar of revenue it was collecting. That could not continue. We had to put a stop to that. We are now in a position where probably Canadians are getting less than $1 worth of service from their government for the dollar they are paying in terms of taxation. That will continue until we can bring our deficit and our debt under control.

These are tough decisions and these are tough times. I am sure that we have the will, the resolve and the wherewithal to deal with it. I recognize that there are difficulties out there. I recognize that there are unemployment problems. I am sensitive to the needs of Atlantic Canada, whether it is in the fisheries sector, the transportation sector or broadening the economic base, just as I am interested in broadening the economic base of western Canada and ensuring that there is growth, economic activity and job opportunities right across this country.

I want to deal with the equalization issue. Just for the record and before I get to the equalization issue, I want to put some other figures on the table because I believe this too is very important. I want to reiterate simply the growth of federal transfers since 1984-1985.

This is the total major federal transfers of EPF, Established Programs Financing, equalization and CAP, the Canada Assistance Plan. In 1984-1985 Newfoundland, on a per capita basis, was receiving $1,617 out of all these programs. In 1991-1992, it is receiving $2,473 per person.

An hon. member: Oh, imagine. That is a 60 per cent increase.

Mr. Mazankowski: The hon. member singled out Prince Edward Island as being so hard done by, by this government. In 1984-1985—and that was part of the Liberal regime; it was the leftovers of the Liberal regime—every Prince Edward Island resident was getting $1,656. Today, in 1991-1992, every Prince Edward Island resident is getting $2,417.

Let us go to New Brunswick. In 1984–1985 every New Brunswick resident was receiving $1,443 from the federal government. Today they are receiving $2,154.

An hon. member: No wonder they can balance their budget.

Mr. Mazankowski: In 1984–1985 every Nova Scotia resident was receiving $1,362. Today they are receiving $1,938. In Manitoba in 1984–1985 they received, on a per capita basis, $1,115 and today it is $1,718. In Quebec in 1984–1985, $1,256 and today $1,534. In Saskatchewan in 1984–1985, $727 per capita and today $1,304.

An hon. member: That is double.

Mr. Mazankowski: In British Columbia, $794 in 1984–1985 and in 1991–1992, $1,004. In Alberta 1984–1985, $726 per capita; today, 1991–1992, $982; and in the case of Ontario, $689 per person in 1984–1985 and $966 in 1991–1992.

I think that gives some idea of the fact that we are not cutting back; we are massively increasing. As a matter of fact transfers from the federal government to the Atlantic Provinces in the case of Prince Edward Island account for 42.3 per cent of their total government revenues. In the case of Newfoundland federal transfers account for 45.5 per cent of its total government revenues. In the case of Nova Scotia, federal government transfers account for 42 per cent of the total government revenues. In the case of New Brunswick, 39 per cent of its provincial revenues flow from the taxpayers of Canada, not the federal Government of Canada. I ask you, Madam Speaker: Is there an injustice there? Are we short changing our friends in the Atlantic region? The figures do not bear it out.

Let me deal briefly with the equalization issue. That is what has triggered this debate. This debate has not been triggered because there has been any massive reduction in equalization payments. It has been triggered by a normal recalculation that takes place on an ongoing basis.

Just to refresh our memory, the equalization program is designed to enable the provincial governments to provide reasonably comparable public services at reasonably comparable levels of taxation. It is a vital example of our national spirit of equality and mutual support. As hon. members have pointed out it is enshrined in the Constitution. We consider it to be very important. It is part of the sense of equality in giving Canadians equal opportunity and equal services across the country.

I repeat again equalization is not being cut. It has not been cut this year. It has not been cut last year and it is not going to be cut in the years ahead. In fact the entitlements of provinces for 1991–92 are expected to rise by $250 million over the last year's level, as I have said, for a total of $8.3 billion or $8.4 billion. It will be expected to increase to $9.48 billion in the year 1992–93.

As I said, while we have had program expenditure increases of roughly 3.6 per cent or 3.5 per cent, this program has been the fastest growing program of all government programs, growing at an annualized rate of 8.3 per cent.

We can talk until we are blue in the face, criticize the formula and criticize the legislation, but all that is happening here is that we are applying the legislation. It is a normal procedure. Equalization payments are provided to the eligible provinces in advance on the basis of the best guessed estimates and a preliminary set of standards, and as more accurate information becomes available these adjustments are made.

This process is well understood by the provinces. It happens twice a year, usually in February and October. Often it means in most cases that we have to make additional payments to the provinces. Other times it shows that they have been overpaid. For example, in 1982–83 the adjustments under the formula meant that Saskatchewan owed the federal government approximately $100 million. I did not hear any outcry from the folks who occupied the Treasury benches then but in 1988–89, as I said in the House the other day, and in 1989–90 all provinces received positive adjustments: $1 billion in 1988–89 and $720 million in the next year.

This time the revised calculations show that four provinces, including three of the four Atlantic provinces, have received more that the formula allows and some will be entitled to more. For example, the provinces of Nova Scotia, Manitoba and Saskatchewan will receive more. The others will receive less.

There are further adjustments that will take place down the road, so that may all balance out. A decrease in equalization is caused by a reduction in current year entitlements and a decrease in entitlements for previous years, so the adjustment is done over the immediate year plus previous years gone by.

Under the rules of equalization these loans have to be recovered. It also contains a provision to ensure that the repayment of these adjustments do not impose undue hardships on the provinces. The recoveries are made over the balance of the fiscal year and can be extended into further fiscal years.

Unlike when the federal government is asked to divvy up more it has to pay immediately, but in this particular case time is provided.

As other hon. members have indicated this is a subject that could go on and on. One could use 20 to 30 minutes more in a debate like this. but I thought it was important to lay out the facts in a very statistical way to set the record straight. I hope my hon. friends opposite will not mind that.

• (1120)

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, my question is to the Minister of Finance and Deputy Prime Minister.

A lot of us on this side of the House have deep respect for the hard work and the hours that this minister puts in. We know he is in a tough spot right now with the economy of this country and the economies of the world. However, during his speech he talked about the fact that people are watching us in this debate today. I would suggest, with respect, that there are few Canadians who really understand these terms with billions of dollars here, hundreds of millions of dollars there.

I believe the problem we have here in this city is that people, whether from Atlantic Canada or downtown Toronto like my riding, think that we are remote from the economic pain and the suffering, whether it is job loss, businesses going under or whatever. We seem to come to Ottawa and we get involved in debate here in which the numbers are not understood.

I would suggest that part of the problem is that we are not close to the specific problems, whatever region of the country it is. I want to put an idea to the Minister of Finance who controls the Treasury of this nation. We are heading into the 125th birthday of Canada. Would he not consider it a constructive idea, a good idea, if we moved this House of Commons, a week at a time, province to province, right across the country, including the territories so that we could get beyond the numbers and get into the communities supporting colleagues who are trying day in and day out to explain the suffering that is going on?

We have a problem with hospitals. Just recently a doctor friend of mine from Newfoundland said that he went to perform an operation the other day and his tools were not sharp enough. He went out and asked the nurse for more tools and was told there was no money. This is happening right across the country. I think we are becoming remote from the real problems. It is time to move this House of Commons out of Ottawa and put it on the road so that we can get closer to the people and sensitize ourselves to the problems of each other region to region and city to city.

Mr. Mazankowski: I appreciate the hon. member's concern reflected in the question that he asks. I guess I could say at the outset that I could not agree with him more when he talks about billions in transfers and equalization and CAP and EPF. I am sure it is very difficult for the average citizen to comprehend. Unfortunately that is the terminology that is used for the purposes of this debate. I guess that is why I really tried to translate those terms into dollars per capita. I guess that was my modest way of trying to bring it closer to the people.

With regard to the hon. member's comments about the fact that we are removed from the people, I do not know about him but I go back to my riding almost every weekend. Most of our members go back to their ridings every weekend. They are out there and they hear very much about what is going on. In our caucus and in other forums that we have around here, their views are made known very well. I think the communications effort cuts both ways. It is awfully difficult to cut back on government expenditures. Everybody wants to see the deficit reduced as long as it does not affect them. That is one of the problems that we have.

There is a sense that there is a big balloon of waste in Parliament and in Ottawa that we should simply puncture. I challenge hon. members: if they can identify that balloon of waste and bring it to my attention, I will certainly give it serious consideration. I have been personally involved in the exercise of attempting to reduce government expenditures, and it is not easy. Believe me, it is not easy. Every time you do it and you try to be as fair as you possibly can, someone's ox is gored.

The issue of moving Parliament around in 1992, the 125th anniversary of Confederation, is one for Parliament to consider. I think what has happened in terms of the modernization of the rules with three weeks of sitting and one week back in one's riding is a step in the right direction.

I know, in talking to our own members, they seem to really get a lot out of it. I know that it gives individual members a chance to do an organized tour or groups of members to do organized tours. I know our cabinet colleagues from the province of Ontario during that week did a tour of the province of Ontario. I think that will go a long way, but to take it as far as the hon. member is suggesting, I suspect that there would be some criticism on the other side involving the cost for doing that. I guess it is a balance. I appreciate the hon. member's sentiment.

[*Translation*]

Mr. Marc Ferland (Portneuf): Madam Speaker, this morning, the minister gave us a demonstration of what equalization means and how taxpayers get a return on their investment as federal funding is directed to all parts of Canada. However, Canadians are still rather confused. They often get the impression that equalization includes all federal transfers. Perhaps the minister would care to expand on this and tell the House what the Maritimes have received in addition to equalization payments. I am thinking, for instance, of the frigates contracts and Hibernia, and contracts awarded by CIDA in Western Canada for the purchase of food and other items. Perhaps the minister could further clarify, for the benefit of Canadian taxpayers, what equalization means, and also mention federal "spin-offs" that benefit all Canadian taxpayers, such as purchase contracts, for instance.

[*English*]

Mr. Mazankowski: Madam Speaker, I appreciate the hon. member's question. I did not want this debate to get into chequebook federalism. I simply wanted to put on the record the facts that are existent and to lay it out in such a way as to demonstrate to hon. members that there is not a surprise or something unusual happening here. It is a normal course of events.

I guess that could apply for any reason. In western Canada we have the Western Diversification Program which provides assistance to broadening the economic base. We have the Northern Ontario Development Program. We have a regional development program in Quebec. We have programs in Ontario, for example, DIP. All these are in addition to the transfer payments that we talk about. We then go to the Atlantic region where we have support for the fisheries industry. We have had contracts that have been released to the Halifax-Dartmouth industries for the building of new vessels and new mine sweepers. We had the largest contract ever awarded by the Government of Canada, the frigate contract, to Saint John Shipbuilding. We also have ACOA.

ACOA has been a success story. It was not a program devised by the Liberal Government of Canada. It was devised by this government. It was devised by the members who represent the Atlantic region. It has been a program that has worked very well because it involves community. It involves the grassroots. It involves small business. It has created jobs and new opportunities and has broadened the economic base.

I think that those are dollars well spent. Those are the kinds of programs that will lift Atlantic Canada out of the kind of situation that it has experienced for many years. Hopefully, rather than being a recipient province under equalization, it will be a contributing province. I think that would be the desire of all Atlantic Canadians and that would be the desire of Quebecers as well.

What we are doing here is providing grants through Established Programs Financing, through equalization, through the Canada Assistance Program, to provide some equality of service right across the board. In addition, we are attempting to provide for programs that will encourage the enterprise skills and the innovative skills to be developed clearly to create jobs in long-term economic activity and prolonged and durable sustainable growth.

• (1130)

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, we are here today to discuss the following motion:

> That this House condemn the government for reducing the level of transfer payments to the Atlantic provinces, thereby threatening the stability of health care and education, and further condemn the

government for its destructive policies toward the fishery, the railway and the post office.

What we are really talking about here is the problem of regional inequalities in Canada. If this government were serious about addressing those regional inequalities it would look at the economies of Atlantic Canada, the state of those economies and the difficulties those economies face. It would develop policies and strategies to address really and truly those concerns and to address the concerns of the people living in those provinces: people who have lost their jobs, lost their communities, lost their hope as a result of the economic policies which have failed.

If this government were committed to fairness across this country, fairness in opportunity, fairness in job opportunities, fairness for those in rural areas, fairness for those who have lost their jobs, it would address these worst case scenarios and it would address those regions in Canada which are suffering the most.

If we move out of the golden horseshoe or out of parts of Alberta and parts of British Columbia the economies of this country are in serious trouble. My own province of Saskatchewan in the last decade, as a result of pursuing the same policies that the federal government pursued, has lost almost 10 per cent of its population. Consumer bankruptcies are at record high levels. Business bankruptcies are at record high levels. Farm bankruptcies are at record high levels. Agricultural land held by financial institutions is at a record high level.

These economic policies in the regions of Canada have failed. We need a government which will re-orient economic policies to address inequality, to address the diversity of opportunities across this country.

If we look around the world, for example at the Thatcher government in England or the Reagan and Bush regimes in the United States, we see enormous equalities that have built up as a result of the pursuit of neo-conservative economic policies which have failed. The whole north of England is awash with unemployment, welfare and despair, and huge tracts of the United States are facing the same problem.

We need policies which address the concerns of people, which address these inequalities. Instead what we have had are big business agendas, the free trade agreement, an obsession with competition and the role of private capital.

If we look at the regions of Canada and at Atlantic Canada we can see that private capital and competition harshly judge these areas. We can see that the hinterland areas of Canada, which constitute most of Canada, are not well received when those with money to invest seek to invest that money. They would rather invest their money in Toronto real estate than they would in the creation of jobs in Newfoundland or New Brunswick or Prince Edward Island or Nova Scotia.

There is more money to be made by investing in Toronto real estate than there is in creating jobs and opportunities for those in Atlantic Canada.

The strategies that the government pursued, the strategies of leaving job creation to the marketplace, to private capital, will not work in places like Atlantic Canada. They cannot work, have never worked and never will work.

We are now receiving policies from the federal government in addition to the free trade agreement which will make things more difficult and have made things more difficult for the regions of Canada, including Atlantic Canada. Now we see arguments for free trade across the provinces, for eliminating provincial trade barriers.

A recent study carried out by an economics professor at Dalhousie University points out that by making those sorts of changes to reduce provincial trade barriers there may well be savings of about $50 million a year in Atlantic Canada, a relatively modest saving to the province which can then be used for other purposes.

If instead of pursuing those objectives, the government put emphasis on reducing unemployment rates by 1 percentage point, it would increase economic activity in Atlantic Canada to over $700 million, 14 times as much as might be saved by reducing provincial trade barriers. This government concentrates on reducing provincial trade barriers. It does not concentrate on providing programs to generate employment in those regions.

If we look, as I will in a moment, at the economies of those regions, they are in desperate straits. They are in decline in terms of jobs in the economy, but of course the one growth in those areas is the number of unemployed even though many people have been forced to leave their communities in search of jobs elsewhere in Canada and indeed in other countries. We have economic policies from this government which have more to do with

moving people from their communities to jobs which should exist elsewhere than we have in taking jobs to those communities.

The thrust of neo-conservative economic policy is to say to people in a region where there is not much economic development: "You better move to an area where there is economic development. You better leave your community, your family, your roots and go somewhere else in search of jobs. We are not going to assist in the creation of meaningful, long-term, high quality jobs in your community".

The minister said that ACOA is a success story. Seventy-one per cent of all the business created by ACOA failed, so clearly even those minute interventionist strategies, those modest interventionist strategies have not worked because they concentrated on encouraging and assisting only private capital to come in from outside primarily and not generate the energy and the resources from within those communities.

On top of all that, on top of economic policies that have attacked those regions, the rural regions of Canada, the hinterland economies of Canada, we have seen government measures which have served to reduce the amount of money which otherwise would have gone to those provinces for health care and post-secondary education.

The minister talks about an increase in absolute dollar terms of money going to the provinces as a result of Established Programs Financing for health and post-secondary education. But for the changes the government has made, billions and billions more dollars would have gone to those provinces for education and health care. Indeed, the five-year freeze which has recently been introduced on transfer payments will result in a loss of over $13 billion to the provinces. It is $9.5 billion for health care and $3.8 billion for post-secondary education.

In a year of line-ups for health care, for surgery and of our young people being turned away from universities and colleges because of inadequate resources in those institutions and inadequate funding to provide for the education at a time when the government is stressing the need, quite rightly, for more education, for a better educated work force in order to compete in the world economy.

Instead of investing in the future, this government is selling off the future. In addition to that, it is attacking those regions of Canada which are the least able to defend themselves; Atlantic Canada, Manitoba, Saskatchewan and the north.

We could go on at some length about the implications to the provinces as a result of cuts to Established Programs Financing, but it is sufficient to say that both Liberal and Conservative federal governments have, over the years of their operations, cut funding to those programs for health care and post-secondary education. They have instituted measures which, but for those measures, would have ensured that billions more dollars would be available to the people in Atlantic Canada and in Saskatchewan, in Manitoba and in the north to adequately serve their populations.

The important point to be made with regard to these funds going to the provinces is that they are investments in the future, in our young people, in the health of our citizens and but for these investments, this country will never get out of its economic problems and neither will we address those regional inequalities which exist across this country.

In short, if this country is about anything, it is about ensuring that Canadians, no matter where they live, should have roughly similar opportunities both in terms of employment and in terms of education and health care. To deny that equality of opportunity is to do a great disservice to those many Canadians who need the support of the federal government.

• (1140)

Lest we think that the economies of Atlantic Canada are in good shape, lest we think they do not need the financing which has been provided by the federal government, and in case we feel that a loss of hundreds of millions of dollars to those provinces will be unimportant, we should look at the economies of Atlantic Canada.

These economies are characterized by extremely high unemployment, by reduction in the number of jobs, by loss of population, by high family stress, and all the problems that come with the death of communities and with the loss of employment opportunities, a high

incidences of welfare and so on, but basically a loss of hope.

Most of the economies of Atlantic Canada are either stagnant or declining. In terms of employment, for example, the number of people working in those economies—in Newfoundland, between 1990 and 1991 there was a reduction of 3,500 people in the workforce, the same in Prince Edward Island, a province with a population of only 140,000-odd; almost a thousand less people working in Nova Scotia and 1,500 less working in New Brunswick.

Not only do we have a situation in which their economies are in desperate straits but they are getting worse. The only conclusion we can make from this is that federal economic policies are not working, if what those policies are doing is attempting to increase employment opportunities and economic activity in the region. Clearly also the provincial government's strategies are not working in those regions.

So we have economies which are in desperate straits in Atlantic Canada. People living in Atlantic Canada simply do not have the opportunities that people in other parts of the country have. On top of all of this, rather than assist the people in those provinces more, to have the opportunities needed to raise their families and work, we see new cuts to equalization payments. Premier Wells of Newfoundland said that when you list all of the attacks on Atlantic Canada by the federal government, these cuts to equalization payments constitute the straw that breaks the camel's back. In other words, the premiers of Atlantic Canada realize that they have been done a serious disservice by this federal government.

But in spite of all of this, in spite of the feelings of the premiers of Atlantic Canada, three Liberal premiers and one Conservative premier, in spite of Premier Wells saying that this cut to equalization payments was the straw that broke the camel's back, let us look at what the premiers said in response to what they called "this financial crisis".

The Conservative premier of Nova Scotia said they would be asking the federal government for a meeting and: "I want to emphasize not a meeting demanding more money". He said they may approach the Prime Minister to ensure that federal funding to the provinces is sufficient to maintain national standards in health care and other social services. They "may" approach the Prime Minister to ensure that those standards are met.

The premiers of Atlantic Canada are not demanding that the federal government respond appropriately to the concerns of the people of Atlantic Canada. The three Liberal premiers and the one Conservative premier are basically saying; well, we have received a cut of over $100 million to the region but we are just going to say we do not like it, we are not going to stand up and fight against this Conservative government's cuts.

I think we can only say that it is shameful that those three Liberal premiers and that one Conservative premier are not fighting for the rights of the people of their region, are not fighting for the people who elected them, are not standing up for those people's opportunities in health care, education, employment and being able to stay in their own communities.

The government says it cannot do anything. It says that equalization payments are a formula and that the formula changes because of what goes on in the economy and that nothing basically can be done. It is just an accounting procedure that takes place and sometimes the numbers go up as a result of that accounting procedure and sometimes the numbers go down. Sometimes the provinces will get more money and sometimes less.

To the people who are affected by the loss of these millions of dollars it is a little bit different than that. It is about loss of opportunities, loss of employment and as we said before, loss of educational opportunities and loss of health care facilities.

The government forgets that when it says it cannot do anything in 1985 it did intervene to offset reductions in the 1985-1986 equalization payments to the provinces. It did provide supplements to the provinces of Atlantic Canada as a result of changes in the formula. If it did it then it can do it now. If it cared at all about the plight of people in Atlantic Canada, surely it would begin to address these concerns and make up the difference.

Another point regarding equalization payments which is worth making is that the Atlantic Provinces Economic Council has said—these are not just my words—that if Ontario had gone for a balanced budget rather than the modest deficit it introduced, then the situation in Atlantic Canada would have been much worse in terms of equalization payments. In other words, the Ontario deficit budget is something which has assisted Atlantic

Canada in making sure that the equalization payments did not reduce even further.

What that means is that Ontario is assisting to some considerable extent in the economic stabilization of the whole country while being attacked by the federal government and the Official Opposition and other provinces across this country.

While that attack is being directed towards Ontario it, in fact, as a result of its budgetary policies has assisted the less well off regions in Canada by ensuring that their equalization payments have not been reduced as much as they otherwise would.

We also have to ask why these equalization payments have reduced. Why do the have provinces have rather less to distribute in terms of equalization payments to those provinces who are less well off.

Again we have to look to the bankruptcy of federal government economic policies which clearly are not working across this country.

If I may say a few words about Saskatchewan, those same economic policies which the federal government pursues were pursued by the Conservative government in Saskatchewan until, thankfully, last Monday when they were turfed out of office by a party and a government that cares about creating jobs, cares about providing opportunities for people, cares about education and the health care system.

The very things that concern Atlantic Canadians, Saskatchewan people are concerned about as well. That is why they turfed out the government. That is why Mr. Devine and his Conservatives lost. They tried neo-conservative economic policies that simply do not work in the hinterland regions of Canada. Without a commitment from the government to make economic policy for people, those people in Atlantic Canada and those people in Saskatchewan will continue to be at a disadvantage.

We cannot allow these cuts to equalization payments to take place without criticism. We cannot allow Atlantic Canada to receive more than $100 million less than it otherwise would have received without voicing our strong opposition.

We in the New Democratic Party have called for the federal government to intervene to offset this reduction in equalization transfer payments. We have called for more adequate Established Programs Financing transfers, instead of the federal government's contribution to health and post-secondary education reducing and reducing in percentage terms each year, so that rather than as they once paid 50 per cent of health care and post-secondary education costs in the provinces, it is now something a little over 35 per cent.

• (1150)

In other words, the federal government is not pulling its weight in ensuring that there is equal opportunity in those areas of health care and education across this country.

We could say a few words about the fishery and railways which are also mentioned in this resolution, but the clear point with regard to the fishery is that the strategies of this government and previous Liberal governments have been totally ineffective in ensuring the appropriate management of that fishery.

The reason we do not have enough fish for our fishermen and our fishing communities in Atlantic Canada is that the whole stock has been totally mismanaged and basically has been handed over to the interests of two large fishing corporations which really do not care about the regions they are working in but only care about making profits.

There are other ways to ensure that job opportunities can be created in these regions. We will see these other opportunities, other approaches as the New Democratic governments of Saskatchewan, British Columbia, Ontario and Yukon develop those policies as the Yukon and Ontario governments already are doing. We will see jobs created as a result of the resources within the communities rather than resorting to the only strategy that this government seems to understand, which is to resort to the marketplace, to private capital that is not interested in the creation of jobs in this economy in this country but is interested only in making profits.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, one sits here in the House, quietly listening to a previous speaker and doing some work. At the same time one suddenly realizes that the speaker is missing the boat in terms of what this motion is all about.

This House condemns the federal government for reducing the level of transfer payments to the Atlantic

provinces, thereby threatening the stability of the Atlantic provinces. I heard the speaker blaming the premiers of the Atlantic provinces for the problems they have down east, never thinking to mention that it is the federal government that has caused such economic chaos in this country. The federal government has transferred that economic chaos down to Atlantic Canadians.

He stands there and he says: "Atlantic Canadian premiers are at fault because they have not challenged the federal government on this issue". What a hypocritical approach. I am sorry, but let us not transfer the guilt. The guilt is across the floor in this House of Commons, and let us make sure that the people of Canada know where the guilt lies.

Surely the previous speaker was not being partisan when he was saying that the premier of the province of Ontario had done such a wonderful job of creating a budget and that the economy of the rest of the country was being positively affected because of what that premier did. I wonder: Is there any relevance to the fact that the premier of Ontario is a New Democrat and the premiers of most of the Atlantic provinces are Liberals? Surely not. He would never be partisan in this House of Commons, would he? Never.

I would like to challenge the member of the New Democratic Party to put the onus where it belongs, that is on this government which has created economic policies in this country which are devastating especially to Atlantic Canada. I would like him to comment on that.

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, I would be happy to comment on that. There is clearly joint responsibilities for the situation that has arisen in this country in terms of the economic plight we find ourselves in.

Former Liberal governments cannot exonerate themselves from their contributions to creating deficits which have been inherited by this government and added to by this government. The economic policies pursued by Liberal governments in the past were also policies which did little to change the situation in Atlantic Canada, both at the federal level and at the provincial level.

The economic policies pursued by the Conservative government in Ottawa are very similar to the economic policies pursued by the Liberal government in New Brunswick.

Look at the sorts of budgetary measures made by the Liberal government in New Brunswick, cuts to government services and reductions in health care and education. The same sorts of thrusts which have driven the Conservative government in Ottawa drive those Liberal governments and Conservative governments in Atlantic Canada because they stem from the same philosophy, various conservative economic policies which put at the forefront private capital and private interests rather than the interests of their citizens.

The point I was making with regard to the responsibility of the premiers in the region was not only that their economic policies do not work either. Those three Liberal premiers and the one Conservative premier in Atlantic Canada are simply reneging on their responsibility to their citizens by not attacking this federal government's cut to equalization payments.

I quoted from newspaper stories which make it quite clear that those governments are not going to come to Ottawa to demand that something be done about matching the reductions in equalization payments. That is a complete reneging of their responsibility to their own citizens. They should be fighting for their own people. The premier of Nova Scotia and the premier of New Brunswick should be fighting to make sure that this federal government's policies do not attack the people in their region.

The premiers are not doing it and they have said they are not doing it. All I have said is that they should do it. Surely all those people in the maritimes will be agree with me on that.

With regard to Ontario, it was not I who said the Ontario budget deficit assisted Atlantic Canada in its dealings with the government over equalization payments. It was not I who said that but for the Ontario budget the equalization payments in the Atlantic region would be less than they are already are. It was the senior economist with the Atlantic Provinces' Economic Council who is not well known for supporting the New Democratic Party or its policies or the policies of Premier Rae in Ontario.

All I am saying is that on simple economic analysis, with the way that equalization payments work, the Ontario budget provided some extra stimulus to the economy which rebounded to the benefit of the Liberal and Conservative premiers and the people of Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador. Ontario played a stimulative role to the economy which assisted those provinces.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I just have a quick comment and then a question for the member.

I want to say that it is unfortunate the motion, while mentioning one of our most important resources in Atlantic Canada, the fishery, makes no reference to forestry. It is one of the comments that I would like to make later on in the debate. It is unfortunate that the framers of this motion did not consider giving us an opportunity to talk and expand a bit on the needs and importance of forestry in Atlantic Canada.

My comment, if that was a preamble, is just to reflect a very traditional view of voting in Atlantic Canada. It follows on the debate that was just had between the two members. Often people in my province of British Columbia say: "If there are these problems in the maritimes and Newfoundland and Labrador, why is it and who has been in office over all these years?" It has been Liberals and Conservatives.

My father always says: "One day maybe we will be lucky and hope that people there will vote for New Democrats and will form some governments that care about the people in that area".

The member made reference in his comments a number of times to the neo-conservative agenda being pursued by the government and by a number of the premiers in the Atlantic provinces. I would be interested in his comments on how that debate fits into the political debate in Canada right now.

We know that there are some who think that the Prime Minister would help the country by leaving and going to the United Nations. Others are concerned that we would not want to inflict him on the rest of the world, but with regard to the debate and rejection of the Reagan agenda, the Bush domestic agenda, there is a real rejection of these kinds of economic policies being pursued by this government.

I am wondering if the member could comment on how that fits into the political picture in the country of people identifying this government and the rejection of these neo-conservative ideas.

• (1200)

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, last week has shown us very vividly what people in British Columbia and Saskatchewan think about the pursuit of the economic policies of this federal government, the same economic policies which were pursued by its friends, the Social Credit government in British Columbia and its friends, the Conservative government in Saskatchewan.

The population of both provinces rejected those policies because they do not work, because they are unfair, because they do not put people at the top of the economic agenda. Those countries that do put people at the top of the economic agenda—and I hate to say this; I hope it will not be seen in a partisan way—are those countries with social democratic governments: Austria, Norway, Sweden, Denmark. These countries have dealt with inflation, with interest rates and with the interests of their currencies while maintaining social services and health care programs superior to Canada's and ensuring extremely high levels of employment and very low levels of poverty.

You will do well if you put people first, if you concern yourself with peoples' interests, ensure that people work, that the economy works, that the country's economic indicators all do well, that people do not live in poverty and do have an opportunity for job opportunities, superior health care, education and so on. These government policies are bankrupt, and the people of British Columbia and Saskatchewan said so last week.

Mr. George Proud (Hillsborough): Madam Speaker, I rise to participate in this debate with mixed emotions. I listened to a lot of speakers. A lot of numbers have been tossed around and a lot of reasons as to why things are getting better or why things are getting worse.

I listened to the Minister of Finance across the way, a man for whom I have an awful lot of respect. One of the phrases he uttered was that this talk is absolute nonsense. If this is the case, if this is absolute nonsense, I as him: Why is there a five-year freeze on the Established Programs Financing? Everybody had been talking about

this prior to the latest announcement the Atlantic premiers got.

Prince Edward Island would lose $12 million in transfer payments. Now the minister says that the transfer payments continue to rise. However, regarding the $12 million in the initial budget, it says here in a news report that Newfoundland in the new estimates is going to lose $110 million.

Will this not spell higher taxes? Will it not see fewer social programs? Most important, does this not sever the lifeline of Atlantic Canada? People spoke here this morning asking the Minister of Finance about the amount of money Atlantic Canada got compared to other provinces. I say to that member: yes, we would love to be a contributing province. I hope I live long enough to see the day when we are a contributing province. I believe the reason these transfer payments were put in place in the first place was to help these provinces and territories to maintain a standard of living equal to the rest of Canada.

As I see it unfolding, I believe the writing is clearly on the wall. I believe the fabric of social programs and medicare appears to be targeted as the first to go. As I said, smaller provinces and thinly populated territories will not be able to hold the system together or support the development of new or innovative specialty health programs.

How can the federal government expect small provinces to maintain national health standards when it freezes this EPF? In the past cash payments from the federal government have made it possible for Canadians to have highly developed systems of medicare and post-secondary education. Two weeks ago Premier Ghiz at the constitutional hearings in Charlottetown stated that one of his fears was that with these transfers of power to the provinces we would be a checker-board Canada with different levels of medical programs in different provinces across the country.

I believe that the health care gap can be measured by two standards: the have provinces and the have not provinces. We can translate this into terms of the people, which also translates into 10 to 11 years more longevity for the high income Canadians compared to that of low income Canadians. Moreover as our health care system advances we find people living longer lives. The cost of high-technology medical equipment is rising, but because of cuts in transfer payment, the provinces are forced either to slash essential services or to impose further taxes on an already overburdened taxpayer.

At one time Canada maintained national standards for health care and other basic services but no more. In the last budget the federal government vowed to maintain national standards through new legislation. Indeed we have a national standard: the slow death of medicare which has become the standard in every province.

In 1986 the present government finally recognized the health care gap. Let me quote what one of the Health and Welfare Canada's many documents said: "The first challenge we face is to find ways of reducing inequities in the health of low versus high income groups in Canada". Instead of doing this they introduced Bill C-69, the bill to limit funding to the provinces.

In his last budget, as in the one before it, the Minister of Finance continued to pass the buck to the provinces of this country. The federal government has simply transferred its federal fiscal problem to other levels of government. Smaller provinces will not be able to hold the system together or to support the development of new or innovative health programs. Moreover, the estimates of accumulative loss to provincial and territorial health care funding from 1986-1987 to 1994-1995 will total at least $22 billion.

It is frightening what this government is doing to what it once called a sacred trust of our community and country. With an aging population and the youth of my province having to relocate to central Canada to secure employment, P.E.I. has a higher than average age group. With this age group comes a greater demand for health care, and with a greater demand for health care of course comes a greater need for financing.

We saw what the freeze did in the federal-provincial transfer of payments in Newfoundland's last budget: 900 health care jobs and 360 hospital beds were lost due to cuts in the system. If this plan of action continues health care will be eliminated. The current medicare system, a source of national pride, respected and copied around the world will be but a dream.

In Prince Edward Island they now have to work harder and longer to achieve less than what is needed, at no fault of their own. In 1990 the average weekly earnings of industrial workers was the same as it was in 1975. What

does this tell government? This government is not even committed to students, yet this government spoke not long ago of the need to double post-secondary graduates in mathematics, the sciences and engineering. It has repeatedly said it is committed to the Canadian youth, but I believe it is only committed to telling us it is.

Each year as the population increases and more and more students realize the necessity of a higher education the demand for classroom space escalates. While the number of instructors per student declines the funding diminished.

Federal funding in post-secondary education is imperative to keep tuition fees from becoming unaffordable for most Canadians. It ensures better access to higher education for low income people and I believe this is a must. We need a strong federal presence in all social programs to ensure that Canadians will have access to similar services and similar benefits no matter where they live. A strong federal presence is impossible without a strong federal financial commitment.

• (1210)

As I said earlier regional disparities have always been a problem in this country. Without substantial financial contributions from the federal government, regional disparities will continue to grow and affect our national standard of living.

I ask the government: Has it forgotten that federal funding in the field of health was the incentive that led to the development of medicare in all provinces and territories?

Over 1.4 million Canadians are out of work. The number of people who receive emergency food assistance each month is over a half million, and included in this unfortunately is 186,000 children. The monetary and fiscal policies of this government have not worked since they were implemented. In fact they have worked solidly against what we elected members of Parliament need to work toward, and that is making Canada a better place.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, a few weeks ago here in the House of Commons the Prime Minister unveiled his government's constitutional proposals, calling on Canadians to join him in shaping Canada's future together. In his remarks the Prime Minister said that his government's proposals have one simple but nevertheless critical and crucial objective: to build a stronger and more prosperous Canada where all Canadians can feel at home.

These are fine sentiments but they have a hollow ring in Atlantic Canada. For decades we have known the indignity of being the have not provinces, the poor cousins of Confederation. For generations the best and the brightest of our young people have all too often had to search for prosperity elsewhere because there was no opportunity for them to use their talents at home.

In recent years we have watched the slow and in some cases rapid decline of the pillars of our economy: ship building, the fishery and coal and steel in Cape Breton. We have had to accept unemployment insurance payments as a main component of our income and endure the condescension that has accompanied that dependence. Regional development has come to mean a code word for: we do not measure up.

The sense of being a have not region, of having to rely on Ottawa for regional assistance, has seeped into our consciousness in Atlantic Canada. It has reflected itself in our literature, in our music and even in our humour. It has eroded our pride. It has on occasion spilled out in violent confrontation, though we are not by nature violent.

The occupations of the fisheries officers in Port aux Basques recently or confrontations at the gates of the Sydney Steel plant are simply a manifestation of the frustrations we all face.

Last week I was in my constituency of Cape Breton Highlands— Canso where the official unemployment rate is in the order of 23 per cent. But everyone there knows that the percentage of the labour force out of work is much higher. Collie Herman Chisholm, the seasoned and generally optimistic mayor of Antigonish, told me when I asked him, because he remembers, that the job situation locally has never been this bad, not even during the great depression. He was calling me about the rail line from Truro to Sydney, which goes through Antigonish and which CN announced recently it was proposing to sell to a private bidder.

The main customer on this line is Stora Forest Industries, a pulp and paper mill located at Point Tupper on the Strait of Canso. It directly employs some 2,300 workers. The CN announcement came as Stora and its parent in Sweden, Stora Kopperberg, were considering modernization and expansion plans involving some $500 million to $600 million. Without some form of modernization in order to enable Stora to compete in the international pulp and newsprint market of the future, the president of Stora, Tom Hall, has suggested the mill would become non-competitive and die. That would spell catastrophe for the economy of eastern Nova Scotia and the thousands of families who depend in one way or another on this industry.

For Stora, guaranteed and reliable access to rail is absolutely vital. The uncertainty caused at this moment, even by CN's consideration of these plans which are objected to by everybody including the premier of Nova Scotia, could well be the factor that causes Stora's parent in Sweden to choose to invest elsewhere.

Yet, in the face of this CN persists and both ministers of transport refuse to intervene to stop this ludicrous move. No wonder the Prime Minister's invitation to participate in constitutional renewal has a hollow ring in Atlantic Canada.

A week or so ago I was in Baddeck where Judy MacDonald, a housewife and mother, took the time to write down her thoughts for me on the economic situation in Cape Breton in the wake of the Prime Minister's constitutional initiative.

I regret that time permits me to quote only a small portion of Judy's letter. She speaks for many in Cape Breton when she writes:

> Much has been made of how hard central Canada has been hit by the recession. The joke around here is: "There is a recession. Someone should tell Cape Breton". The economy has gone from bad to worse. People in the depressed parts of Canada such as Cape Breton at this time cannot raise concerns about the Constitution or issues like it because they are trying to make ends meet and in extreme cases keep warm, fed and clothed. This is being interpreted as apathy toward our constitutional problems which is simply not the case. The only special status Cape Breton has is starvation.

Lately this House has devoted a fair deal of time and attention to the plight of the western farmer. Atlantic Canadians feel empathy for the western farmer. They were inclined to be happy and supportive when at the urging of this party the government, admittedly on the eve of an election in Saskatchewan, came through with an $800 million package.

However, it is awfully hard for us not to feel shortchanged and betrayed when the fishermen in Newfoundland and Labrador, who this year faced a total collapse of their fishery, received a paltry $39 million in recycled money. The timing of this package was contrived to exclude other deserving fishermen in Atlantic Canada like the herring fishermen in the southern Gulf of St. Lawrence in Antigonish County who also faced a collapse of their catches and their income.

Then of course there is the government's refusal to assist the Scotia Synfuels project which has been under development for 10 years and which is tailor-made for the Cape Breton economy. The Synfuels project will create some 2,000 jobs. It will create a clean use for Cape Breton's most abundant resource, coal, and contribute to Canada's energy security. It is just as viable as Hibernia or OSLO or Syncrude or the Lloydminister upgrader project on the Saskatchewan and Alberta border into which the federal government has poured hundreds of millions of dollars.

Yet, on September 27, on the eve of the Saskatchewan election, the Lloydminister upgrader which straddles by coincidence the ridings represented by the Minister of Finance and the Minister of Agriculture received an additional $175 million on top of nearly $300 million from a supposedly cash starved, deficit conscious federal government.

Nova Scotians are praying for a provincial election. They want an opportunity to throw out the incompetent, corrupt, Buchanan Tory government. They are starting to realize that perhaps if we have a provincial election we might get Ottawa to move and provide some of the assistance they have been denying us over the last several months. It seems that only provincial elections are what get this government moving.

This week the four provinces of Atlantic Canada received news that their entitlements under the equalization payments program for 1991 had fallen by some $140 million below what had been budgeted.

Yesterday and the day before, when we raised this matter during Question Period, all the Minister of Finance could do was to wave his arms helplessly and say that this was outside this control.

• (1220)

The equalization payments were determined by a formula, and the formula was written into legislation. The equalization payments are based on a formula, but what go into the formula are the tax bases of five of the provinces: Ontario, Quebec, Manitoba, British Columbia and Saskatchewan.

The size of these tax bases depends on the level and the growth of provincial income, in other words on the strength of the economy of places like Ontario. Everybody knows that this government's policies have created a recession which has crippled the Ontario manufacturing sector and flattened the Ontario economy so that the Ontario tax base, which is the principal generator of entitlements under the equalization formula has not been able to generate the entitlements.

Why did the government create this recession? It created this recession to squelch a bout of inflation which it created three years ago by abandoning its so-called commitment to the deficit, to deficit reduction, in order to buy the 1988 election.

It did this by jacking up real interest rates, pushing up the value of the Canadian dollar, choking off investment, stifling exports and killing jobs in Atlantic Canada as well as in Ontario. It did not matter that we in Atlantic Canada were not the source of the inflation. We had to swallow the medicine anyway so we got it both ways from this government.

Its economic policies have stifled our ability to generate wealth and jobs through exports and expansion, making us more dependent on equalization payments. Now, by crushing the economy that generates the source of these payments, the government denies them as well.

The Minister of Finance yesterday suggested that we on this side of the House had a problem with the equalization payments formula. We have no problem with the equalization payments formula. The formula works. It is his economic policies that do not work.

It is time that this government stopped treating Atlantic Canadians like an appendage. It is time that this government started realizing that we are part of this country and, if the government wants us to be a part of constitutional renewal, it has to treat our economies as just as important as those economies of the rest of this country.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I listened with great interest to the hon. member.

If he had the opportunity to listen to the Minister of Finance today in the debate, I think a lot of the comments he made that this government does not pay attention and does not have concern for the eastern part of this country would be laid to rest.

I think he made that very clear. This bill today was triggered by an adjustment in the equalization payments. He admits that the formula is good, that it works. He had some argument with the amount of money that was adjusted, that three of the four provinces in the eastern part of this great country had a reduction while one had an increase. His province is one that had an increase, Nova Scotia, through the adjustments.

Two years ago through this adjustment program provinces realized a billion dollars more than they had budgeted which allowed a lot of provinces in eastern Canada to balance their budgets. Last year some $750 million went to provinces under the formula to help balance their budgets. Some of them came out with balanced budgets. God knows the federal government did not. It is something we would love to do one of these days. We have a plan to do that by 1995.

I take exception to the hon. member saying what he did because of the facts that have been laid out by the Minister of Finance this morning in the per capita help for the eastern provinces.

I am from central Ontario and I do not begrudge one bit of that. I wish in our province we could have 42, 46 or 47 per cent of our budget coming from the federal government. We do not. We have because of our geographical location a lot of advantages that the outreaches of this country do not have. We are prepared to pay our fair share and are doing that.

For the hon. member to stand and say that this government does not care or have concern for the eastern part of this country is not fair. As a matter of fact we have put together ACOA, a program exclusively for

the eastern part of this country to diversify the economy, to encourage growth there. None of these organizations are ever funded enough because they always want more and more and more. There is no question about that, and the financial pressures on the government are tremendous at this time from all walks of life.

My comment is that it was totally unfair for him to say that. The facts would show this government does care and does spend a lot of its time both as a government and in cabinet on the concerns of eastern Canada.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I want to thank the minister for his comments. I would like to correct some of the impressions which he received from my speech a minute ago.

The point of the argument and the point that people in Atlantic Canada are trying to make to this government is not that our underlying aim is to get more equalization payments. It is that we are seeking to strengthen our economy so that we will not have to depend on equalization payments.

The reason our equalization payments went up in the years between 1984 and 1988 is simply that the relative disparity between our economies and the economy of Ontario, which was generating a large chunk of the equalization payments, increased. That is the problem and the issue before us here.

We are seeking some assistance to be able to pull our weight in Confederation. We are looking for a government that is not just simply justifying handouts but is actually working with the people of Atlantic Canada to build a stronger economy.

I do not have time to talk about ACOA. Let me just say this about ACOA. ACOA, which came forth with such great promise, has not delivered on that promise in Atlantic Canada. That would be the subject of another debate and one which would be good for us to have in this House.

Mr. McDermid: I agree with the hon. member. Maybe ACOA has not fulfilled the promise that we would like to think it has. The point is that we have done something. We have actually put a program down there that I believe in many instances is working, and that is a debate for another time.

The point he is making is that he is not objecting about the transfer payments. He understands that and everything else. The motion we are debating says that this House condemns the government for reducing the level of transfer payments to the Atlantic provinces. We are not doing that.

The motion is absolutely incorrect. He stands here and says: "That is not what we are debating today. We are debating the diversity of the economy in eastern Canada. We will debate that at another time". He is absolutely right. That is the motion today. My point is that the motion is wrong.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, may I have 30 seconds to respond to those comments?

The Acting Speaker (Mr. Van De Walle): Twenty seconds.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the motion is not incorrect. The point of my speech is that the government has reduced transfer payments by weakening the economy that is generating those transfer payments.

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I welcome the opportunity to speak today about this subject because I am also one of those who is working day in and day out to strengthen the Atlantic economy and to strengthen it on a long-term basis.

• (1230)

I must say that the previous speaker, the hon. member from Cape Breton, has not been really straight with this House or straight with his constituents when he blames the economic circumstances of Canada today on the policies of this government.

He makes no reference at all to the 20 years or more of deficit spending that his predecessor government conducted in this country. It left us with a burden of debt that we have not been able to service without incurring continuing deficits.

Only through the budget recovery plan introduced by the hon. member for Etobicoke Centre when he was Minister of Finance and now being carried on by the hon. Deputy Prime Minister do we have any prospect of ultimately eradicating that deficit, balancing our budget and commencing to pay down the tremendous debt with

which we have been left as a heritage of more than two decades of Liberal governments.

For the hon. member from Cape Breton to gloss over that fact is to mislead his constituents and to mislead the entire Atlantic region in their perception of the economic circumstances which we face.

The situation in which we find ourselves today and the motion by the hon. member for Gander—Grand Falls are based on an October calculation of equalization payments that unfortunately has resulted in shortfalls from expectations in the equalization revenues of three of the provinces in the Atlantic region. The worst of those has occurred in my own province of New Brunswick where it appears that the expectation will be short in excess of $100 million, amounting to about 2.61 per cent of the annual entitlement of $4.2 billion.

I think it is important to put our mind around that subject. The equalization entitlement to New Brunswick is $4.2 billion. On this occasion it appears that the follow-up data that reinforce the estimates on which these formulas are built indicate that the expectation in the estimates were too high and the past payments were too high. This adjustment occurs as a result of a formula that has been enshrined in legislation for many years, long before this government took office. It continues to be enshrined with the same formula that pertains today as it did then. That formula has on this occasion sadly resulted in a shortfall of expectations.

I sympathize with the ministers of finance in those provinces who have to experience that shortfall, who have to confront the reality that their budgets are going to be seen to be too ambitious, too optimistic, and who are going to have to adjust them downward.

It has not always been a shortfall situation. Regarding New Brunswick, I have a clipping from the *Saint John Telegraph Journal* of July 5, 1990 in which the hon. minister of finance for the province of New Brunswick advised that he was experiencing great exaltation as a result of a windfall of $47 million, a surplus beyond expectations. His estimates were too conservative and the realities of the transfer from the federal government were to be $47 million higher than he expected. This process of formula financing works out over time to produce the truth that the equalization formula is intended to reveal.

I would like to read into the record a few other facts. I am going to address particularly the New Brunswick circumstances this morning because New Brunswick had by far the greatest hit in terms of the decrease of budget expectations as a result of this October adjustment calculation of the equalization payment.

Major federal transfers to New Brunswick will total an increase of about 4.4 per cent over 1991–92. Per capita, New Brunswick will receive over $2,200 per person in 1992–93 which is almost 75 per cent higher than the national average. That is a statistic which demonstrates that the equalization concept is working.

The budget change in EPF transfers which I will address later on will account for only two-tenths of one per cent of provincial revenues in 1992. It is a negligible decrease. Again it is a decrease in expectation, not a decrease in dollars.

The major federal transfers will continue to account for a very high percentage of New Brunswick's total revenue. More than 39 per cent of New Brunswick's 1992–93 budget will come from federal transfers.

I would say that the only slashing and burning, as somebody has characterized the adjustment calculations, taking place is the abuse of fact. As the minister emphasized earlier this morning—and I am glad to repeat it—federal transfers to the provinces are not being cut. The Atlantic provinces are not being singled out. Health care and education are not being placed at risk.

I would just like to say that with respect to Established Programs Financing, the foundation for federal transfers to education and health, the total dollars to New Brunswick were $543 million in 1989–90. They were $546 million in 1990–91, and they will be over $550 million this year. They will grow in actual dollars again next year.

It is an abuse of fact when people say that EPF funding has been cut. The rate of growth of EPF funding has been cut and there are good reasons for that, which I will also get to in a moment. What is really happening is that our federal government is continuing to implement and build on the agenda for economic recovery which we introduced last February.

It is a plan for a strong, solid recovery that is already helping to put the recession behind us and set the foundations for continuing non-inflationary growth. It is a plan that asks Canadians, including other levels of government, to work more effectively in a partnership for prosperity.

Not surprisingly the budget had important implications for federal-provincial fiscal arrangements, particularly for parts of the system and major transfers to provinces which consist of equalization, Established Programs Financing and the Canada Assistance Plan. These programs account for more than 90 per cent of all funding from the federal government to the provinces to help pay for a variety of very important services right across Canada.

For decades the federal government has provided large and growing financial support to the provinces in these respects. This year alone total federal transfers including both cash and tax transfers will reach almost $37 billion. Just the cash portion of the transfers accounts for one-fifth of all federal program spending.

Again let me echo the words of the minister. These transfers are simply too large to exempt from our expenditure restraint program. The deficit is a national problem and it demands a national solution. More important, it should be understood that in slowing the growth of transfer payments the federal government is seeking to encourage all levels of government to live realistically within their means, just as the federal government itself is called upon to do with its own programs.

It is significant to understand that for the past seven years the federal level of spending has grown at the rate of 3.7 per cent, versus a provincial average of 7.2 per cent. It just makes common sense that the federal government, in its responsibility on behalf of all Canadians, has to ask the other levels of government which constitute such a large part of its total expenditure program to restrain their spending within limits that are imposed upon the federal government itself.

The measures announced in the 1990 budget included a per capita freeze on EPF transfers. Although EPF transfers in total will continue to grow, as I have said in the New Brunswick case, with the population of each province, they will be frozen until 1994-95 at present rates of growth. There will continue to be no limit on Canada Assistance Plan contributions to less wealthy provinces. In addition, equalization transfers to the less wealthy provinces have been totally exempted from the budget expenditure controls.

For this motion to suggest that the levels of equalization transfers have been reduced is, as the hon. minister said earlier, simply not so.

The measures we have taken bring the growth of federal-provincial transfers into line with the current fiscal realities. In fact the rate of transfers will be at 3.7 per cent, whereas the rate of federal spending in all other areas will be at 3.4 per cent.

• (1240)

I am convinced that most Canadians know that the deficit and the debt are serious problems that must be solved. They know that firm determined action is needed to solve these problems. They believe this should be carried out with the least possible adverse impact on those in the greatest need. That is the way that the equalization formula and the application of the changes to the EPF funding and to the CAP funding have all been designed.

In the 1989 budget the government set out a medium term fiscal plan to reduce the deficit sharply and to bring an end to new government borrowing in financial markets by 1994-1995. That will be a welcome day. The 1990 budget reaffirmed this plan and introduced a program of expenditure control to meet it.

However, because the recession revenues are now lower than forecast, expenditures are higher due to the weak economy. We have an even more difficult road as we work toward that very enviable prospect of a balanced budget some day.

The motion which is before us refuses to recognize the importance of deficit reduction and debt control. It implies that we should not only be spending more than ever but that we should be making no effort to set reasonable limits on future spending growth. Of course that is hardly surprising. Both parties of the opposition have impeccable credentials when it comes to living the philosophy of credit card finance: spend now, borrow more tomorrow, and worry about the consequences next year or next decade. It is easy to contemplate and talk

only about sharing the wealth when one does not take any responsibility for creating it.

The problem is that next year or next decade is now. We have seen how living beyond our country's means, including provincial transfers that increase at a rate well above inflation, can lead to a growing burden of public debt. In 1984 when this government took office the federal government was handing out $1.33 in programs and services for every $1 it collected in taxes. Mr. Speaker, how long could you live on your budget if you were spending $1.33 on services for every $1 you were earning? That was no bargain then and it is no bargain now. In fact we are now paying the price over and over again for too many years of consuming more government service than we were willing to pay for.

This fiscal year our public debt is forecast to reach $419 billion. That is more than $15,000 for every man, woman and child in Canada. The interest rate alone on the debt will eat up more than $43 billion this year, more than we spend on old age security, unemployment insurance and family allowances combined.

In the 1991 budget the government has asked Canadians to share the burden of further financial restraint. We recognize the sacrifices that many Canadians have already made in the name of restraint and we know there will be some reluctance to accept the necessity for more of the same.

If we took no steps to deal with this worsening fiscal situation, the deficit would be much higher than the forecast by many billions of dollars. This would aggravate all of the fundamental problems which must be solved if we are to ensure a strong recovery and a return to prosperity in the years ahead. Further increased spending would only make the debt problem that much worse.

In the 1991 budget the government has taken the tough responsible decisions necessary to ensure Canada's finances become healthy again. As a result of measures announced in that budget the government will hold the deficit to $30.5 billion this year. Despite the pressures of the recession the deficit will fall in 1992–1993 to $25 billion below that level for the first time in more than a decade. Growth in program spending will be held to an average of no more than 3 per cent in the years after 1991–1992 on an annual basis and the need for new federal borrowing in financial markets will be eliminated after 1993–1994. The 1991 budget includes measures providing Canadians with added assurances that these targets will be met.

In a significant change that alters the way that government manages expenditures we have released draft legislation which will impose mandatory limits on annual program spending for the next five years. That is the first time in history that the Government of Canada has legislated in law its spending restraints and budget limitations. We have tabled legislation to set up the debt servicing and reduction fund and have committed that all revenues from the goods and services tax and from privatization will go to the servicing of the deficit and the reduction of the debt. These revenues will be applied first against the servicing of the debt and, as they grow over time, will be used to reduce the outstanding debt.

The effort to reduce spending and the deficit will be reinforced by these government decisions to set its targets clearly in law. Through the plan for economic recovery the federal government will take action to establish fiscal stability and to strengthen confidence in Canada's future.

I know my time is running short, but I want to make a very important illustration of the importance of federal transfers to Atlantic Canada. In Atlantic Canada the total of all forms of federal spending and financial contribution in 1988 was $8.2 billion more than the contribution of revenues from Atlantic Canada to the federal Treasury. These figures are three years old and are in fact higher today. That represents $3,600 per person in Atlantic Canada. As I say, that is a higher figure today. In 1988 those figures in Newfoundland were $2.4 billion; in Prince Edward Island it was $600,000 per year; $3 billion in Nova Scotia; and $2.2 billion in New Brunswick.

It is clear in the context of this debate that the federal government is not diminishing its commitment to Atlantic Canada. These figures speak extremely strongly for the Atlantic commitment to a strong Canadian entity, a prospering, and lasting Canadian unification.

I do not think anything could speak in fiscal terms more abundantly and more clearly than do these numbers. The impact of them is not well understood by Atlantic Canadians. It is a subject that as we contemplate our place in Canada we have to confront realistically and

not with the misleading implications of this motion or those on the other side who have spoken to it.

The adjustments that we have seen today in the equalization formula do not represent a threat to the welfare of Atlantic Canada. This is not a special burden being placed on the maritimes or on Newfoundland. It is a reflection of a continuing equalization program that is strong, lasting and valuable. It is a continuing commitment to share the benefits of Canada among all of its citizens.

It is also important that we share the challenge of getting our punishing national debt under control. It also addresses that. Exempting provinces from this challenge of debt reduction would be indeed to treat them as second-class citizens. The ultimate result would be to put Canada in jeopardy of becoming a second-class country.

Just as I finish, I should say as well that the entire system of federal-provincial transfers may well need adjustment. Perhaps it is time. I understand the Minister of Finance has sent some signals that in 1992 and subsequently those formulas may be reviewed and readjusted. For example, the regular recalculations under the equalization plan obviously do pose problems for provincial budgetary planning and program management.

I can sympathize with the ministers of finance in those provinces who today have to adjust their prospects. As stated in the February budget, the system of transfers to the provinces including equalization will be reviewed with a view to examining reforms that may be necessary.

Recommendations from the Atlantic provinces' premiers and their ministers of finance, such as those from their meetings yesterday and today, will be very helpful. They will help this federal government to reinforce Canadian Confederation as a fiscally sound and responsible agency, able not only to defend the financial sovereignty of this country but to share the dividends of prosperity in this country with all who participate in this Confederation, including the Atlantic region.

Mr. Stan Wilbee (Delta): Mr. Speaker, I would certainly commend my colleague on his excellent presentation of some of the problems connected with the Atlantic provinces. With a background in medicine I am certainly sympathetic toward the problems with financing education and medical care in these areas.

• (1250)

I was impressed with the figure that the maritimes in 1988 were net benefactors of $8.2 billion. Coming from one of the have provinces which this year has had its contribution from the federal government capped at a much lower rate, I would like to ask the hon. member just what his long-term plans and goals are in order to reduce the dependence of the maritime provinces upon federal financing.

As I say, coming from a have province, we certainly could understand and are sympathetic toward the maritimes provinces and the plight they had with the fishing industry and their mining problems. We understand that, but we would like to know just what goals and plans they have in order to reduce their dependence on the tremendous numbers of dollars being funnelled into those economies.

Mr. Bird: Mr. Speaker, I must set my colleague quite straight at the beginning. He speaks with some sense of patronage. I know him well and he is not normally a patronizing man.

I want to make it clear that these transfers to the Atlantic provinces are not handouts. These are dividends to the Atlantic provinces for their roles in Confederation. New Brunswick and Nova Scotia were equal partners of four in the creation of this country.

In the beginning nobody knew or could see where all the prosperity would occur. As with any investment or with any undertaking, original founders are entitled to share the dividends indefinitely.

The equalization formula of this country puts it in that perspective. I would like to disabuse my hon. friend of any notion that this is a handout, charity or anything of that nature.

I would like to go on further and tell him that we in Atlantic provinces are using our utmost initiative to take the fruits of those dividends, to invest them wisely and to help ourselves.

I must say with great credit to the Government of New Brunswick and to Premier Frank McKenna that in the past several years he has demonstrated perhaps the best

rate of economic growth of any province in Canada amid circumstances which are very difficult.

That is why I would chide my good friend, his minister of finance, for making such a big issue of this $100 million recalculation and shortfall in his equalization fund. It was only a year ago that he was certainly expressing great pleasure and pride at the achievements of his budgetary calculations when he had a $47 million windfall.

ACOA, which is doing much better than even the hon. minister acknowledged a few minutes ago in his intervention, has put some very significant infrastructure elements in place. The Research and Productivity Council in my home riding of Fredericton has been endowed with something like $20 million. This has helped to make it one of the foremost research and development entities for business and enterprise that would otherwise not have the availability of those facilities.

That kind of investment will in the long run pay off in very large dividends. We have seen historically in New Brunswick the performances of the Irving organization and the McCain organization and dozens of others of less noble reputation but every bit as deserving of accolades on perhaps a smaller scale.

There is no shortage of the entrepreneurial spirit and the building spirit in New Brunswick or in any other part of Atlantic Canada. I would have to say to my hon. friend that the dividends we share from Confederation at this point will be well invested and the day may come in the long-range future when we may be sharing them in the opposite direction.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I have a short question.

I would just like to refer to an article in the paper today with regard to the comments made in the last election by this government in which its main theme was jobs, jobs, jobs. Here we are with 1.3 million people unemployed and we have nothing but excuses, excuses, excuses.

I say to the member: when we see these kinds of activities taking place, especially in our Atlantic provinces where the unemployment is that high, this government has not addressed the problem of the jobs, jobs, jobs and yet the commitment was made.

Mr. Bird: Mr. Speaker, the figures with respect to employment since this government took office in 1984 to this point in 1991 are very dramatic, very constructive and very positive. You have to read them all in context.

We know that we are going through a recession. We know that we have had dramatic problems in the fishery of almost an unnatural nature beyond man's control. We have addressed those.

The hon. Minister of Fisheries and Oceans, just a couple of weeks ago, was able to introduce a budgetary measure to bring relief to the fishermen in Atlantic Canada and parts of Quebec who are experiencing this terrible, drastic circumstance in the fishery.

In the long run, however, the application of the ACOA program and the application of the transfer system have produced successes such as I have just described by Mr. McKenna in New Brunswick. We are going to see tremendous success in Newfoundland in the months and years to come as a result of the Hibernia investment, again sponsored by this government. I believe we are going to see a recovery in Nova Scotia and Prince Edward Island as well.

In response to the question I would say that the measures taken by this government since 1984 have already reflected increased employment, significantly increased employment. The painful experiences of recent months with respect to the unemployment created by the recession will be resolved by the measures taken during those recent months and will reflect themselves in an increasing employment and prosperity in Atlantic Canada in the year ahead and the years to follow.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I would like to ask my hon. colleague for Fredericton—York—Sunbury a question in a bit of a different vein. He or I may disagree on whether the government's attempts at economic development through fiscal transfers, equalization, EPF and special economic regional development agreements have been sufficient or whether they have increased or decreased. I think we could argue those points fairly eloquently all day, but I want to ask him a question in a different vein.

The member is a representative of a riding in Atlantic Canada, a riding that is not terribly dissimilar to other ridings like my own in Atlantic Canada. As a member of Parliament, not as a Liberal, I ask him: Does he think that the Atlantic provinces and premiers in the coming weeks or months as the constitutional negotiations go on have to coalesce their desires and their aspirations? In

particular, does he believe that there is a necessity to accelerate the economic union talks that are currently going on?

I know that his premier in New Brunswick is fully supportive of it. My premier in Nova Scotia is fully supportive, as is the premier in P.E.I., and Newfoundland is participating as an observer at least.

Does the member believe that the true answer to economic development in the Atlantic region is in a concerted effort by all of the provincial premiers to have an economic union so we can speak as one region? Does he also believe that there are some political bodies, boards or institutions which we could start looking at? When we deal with the federal government, which has conflicting demands placed on it from a very large Ontario, a very distinct Quebec and a very large and expansive west, would it be his view that the best approach for Atlantic Canada to get out of its perpetual position of disparity is to accelerate those talks on maritime economic union and to look at some political boards or bodies so that we can, in the future, represent our joint and collective interest to the federal government as one body as opposed to four different provincial legislatures?

Mr. Bird: Mr. Speaker, I think unity and prosperity in this country go together. In my address I made the point, all too little known frankly and little appreciated, about just how dramatically dependent we are on our Confederation dividends from the rest of Canada. I said the figure was $8.2 billion in 1988 and it is larger now, $3,600 per person.

If any area of Canada has a vested interest in the unity of this country it is Atlantic Canada. I want to say here and now that I stand proudly and strongly and irrevocably in support of one unified country.

An hon. member: So do we all.

Mr. Bird: I have no doubt about that.

As to joining our efforts in Atlantic Canada, yes, we should do so wherever it makes sense. At the same time, however, we have our own characteristics as provinces. I am not sure, for example, that we should ask the Acadians to subordinate their culture and their distinctive identify into a larger amalgam simply because it makes good sense to be larger. I am not at all sure that it is better to have one voice than four voices, but it does make sense to co-operate as much as we can.

The Acting Speaker (Mr. Van De Walle): Shall we call it one o'clock?

Ms. Mary Clancy (Halifax): Mr. Speaker, if I might have a moment.

The Acting Speaker (Mr. Van De Walle): Thirty seconds.

Ms. Clancy: Thank you, Mr. Speaker. I wish to say to you that rather than commence my remarks at this point I would be delighted if you would call it one o'clock.

The Acting Speaker (Mr. Van De Walle): It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

RESEARCH AND DEVELOPMENT

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, in February 1991 at the Prime Minister's request the University Research Committee of the Royal Society of Canada released the report *Realizing the Potential: A Strategy for University Research in Canada*. I wish to express my enthusiasm for that report which seems to have been forgotten by the government which is so preoccupied with the bottom line.

I would especially urge the government to accommodate the report's recommendation that the budget of the three research councils be increased. I know that the government is concerned with the deficit. I agree that we must spend within our limits the money we have to spend.

I also agree with one of Canada's foremost entrepreneurs Mr. John Panabaker of Mutual Life that the recommended expenditure on research council, which is

less than one-tenth of 1 per cent of the GNP over five years, should be dramatically increased.

Mr. Speaker, it is time that this government realize the most important resource of this country is its people. Let us harness that resource to its full potential.

* * *

[*Translation*]

CONSEIL DU PATRONAT DU QUÉBEC

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, on October 22, the Quebec caucus met 13 members of the executive of the *Conseil du patronat du Québec,* headed by Mr. Ghislain Dufour, a dynamic and effective leader.

The CPQ agreed that good government means doing what you can. For nearly two hours, we discussed some very substantial recommendations by the CPQ on federal government administration. We were very much on the same wave length, and quite often our objectives were the same, such as cutbacks and restructuring; reducing the deficit and keeping interest rates low; controlling inflation; the value of the Canadian dollar versus the American dollar, and so forth.

The CPQ is opposed to subsidizing industry but favours government assistance for research and development and export assistance as well.

On the whole, this kind of meeting the CPQ and the Quebec P.C. caucus is an excellent exercise for political leaders and an opportunity for us to emphasize progressive policies conducive to the harmonious development of Quebec businesses.

Mr. Speaker, I hope this exercise will be repeated on a more regular basis.

* * *

[*English*]

DAVID MILGAARD

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, tomorrow afternoon this House will be debating my private member's motion on the David Milgaard murder case.

There is growing evidence that a grave injustice was done in convicting a young man who was 16 at the time. Just in the last few weeks there has been new evidence. There has been a report by Professor Neil Boyd of the School of Criminology at Simon Fraser University and Kim Rossmo of that same university in which new evidence is brought forward, to wit the forensic expert in the case would give different testimony today. Also a profile of a serial rapist who lived and operated near the scene fits the prime leading suspect.

I want to quote from the report which says: "There is virtually no case against David Milgaard". I challenge the Minister of Justice, who is now considering a new trial, that she overcome the bureaucratic inertia and order a new trial, and finally, that she take part in the debate tomorrow afternoon and bring her evidence before this House as I will in bringing the Boyd report before the House.

* * *

SMALL BUSINESS

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, small businesses are big business in Canada.

The importance of small business is often overlooked. Yet in the last 10 years it has represented 97 per cent of Canadian business. Firms with less than 50 employees create four out of five new jobs in Canada. One Canadian family in seven has money invested in a small business farm or professional practice.

With the free trade agreement, new opportunities are benefiting Canadian businessmen. Our government is committed to creating an economic climate conducive to small business. The Federal Development Bank offers management and financing services. Western diversification has assisted a number of small businesses. Industry, Science and Technology Canada is providing valuable assistance to improve our international competitiveness.

Last week my constituency office organized a federal government business information seminar to provide information on and assistance with government programs. We believe small business is the key to prosperity in Canada.

SMALL BUSINESS WEEK

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, October 21 to October 25 is Small Business Week in Canada. I would like to take this opportunity to salute the efforts of small business people across Canada.

Small business is the economic lifeblood of our country and our prosperity depends heavily on small business. This is especially true in my province of Prince Edward Island where there is no heavy industries or sizeable manufacturing base.

It is the tourist operators, the farmers, the fishermen and others of the province who make our economy run. Owning and operating a small business is a tremendous education and at times it can be very difficult.

This is especially true under the economic policies of this government. High interest rates and high taxes are driving down business and forcing many business owners to close their doors.

I call on this government to finally recognize the tremendous contribution made by small business in Canada and to implement economic policies to help them grow, not fold.

* * *

CANADIAN BROADCASTING CORPORATION

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, acknowledging the difficult decisions which the CBC continues to face in reconciling its strategic operations to the realities of restrained budget resources, there remains one lasting omission in its broadcasting structure to serve all Canadians.

That missing link is an English language television station for the province of New Brunswick. While serious considerations have been given over many years to fill this void, it remains a fact that New Brunswick does not have a representative place at the national broadcasting table in Canada.

This is an intolerable situation, particularly in these times when national reconciliation, when New Brunswick serves as the only working model of our nation's linguistic duality.

Our province must be provided with a direct opportunity that such a CBC TV station would serve, to fully share and exchange the programming potential that will continue to our role in defining the national identity.

It is time for CBC to consider a new and difficult investment. I call on the leadership of the CBC to please address this matter on a constructive and current basis.

* * *

• (1410)

SUDDEN INFANT DEATH SYNDROME AWARENESS MONTH

Miss Deborah Grey (Beaver River: Mr. Speaker, the month of October has been declared SIDS or Sudden Infant Death Syndrome Awareness Month.

SIDS, which is sometimes referred to as crib death, strikes down apparently healthy babies suddenly and unexpectedly, leaving behind grieving families and a powerless medical profession.

Several families from Beaver River, including neighbours of mine, have recently lost a child to SIDS.

SIDS is now the leading single cause of death in infants under one year of age after the newborn period. While deaths from SIDS have increased, those from other causes such as accidents have decreased. This dreadful syndrome has no known cause and cannot be predicted or prevented.

The Canadian Foundation for the Study of Infant Deaths will be holding its annual conference in Prince Edward Island from November 1 to 3. This year's theme will be "Working Toward a Brighter Future". This conference will gather professionals and volunteers as well as parents of young SIDS victims.

I am sure that I share the sentiments of all hon. members from this House in sending the foundation our House's wishes for a successful conference as they strive to understand, deal with and sometimes eliminate sudden infant death syndrome.

* * *

YUGOSLAVIA

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, the battle continues to rage and the people of Yugoslavia struggle to preserve what is left of their homeland. There seems to be little sign of conclusion.

For family and friends living in Canada it means they wage their own quiet battle of despair and fear. I have met with several of these people who ask me again and again to do all I can to stop the destruction of their homeland.

If as yet we cannot find it in ourselves as a government to recognize Croatia as an independent state, I urge that we continue to consider the important implications Canada's recognition could bring to this war torn country.

I ask the Secretary of State for External Affairs to do all she can on behalf of Canada to see that this extreme situation is brought to a swift conclusion. I will not be able to find the conviction to tell my Croatian constituents to be patient much longer.

* * *

THE ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, this government is failing to address a threat to Canadians and the world, that is ozone depletion.

A UN study just released warns that ozone damage is far worse than previously feared. A further 3 per cent reduction in the ozone layer is predicted by the year 2000 if the present rate of depletion continues. Skin cancer and crop failure will increase, according to UN scientists.

Canada's agreement to phase out chlorofluorocarbons by the year 1997 is not good enough, according to these same UN scientists. Canadian regulations have still not been introduced which will meet even this goal.

Despite continued calls by the public to have company executives held responsible for pollution and recent industry calls to have the polluter pay principle enacted to curb greenhouse gas emissions, the government has not acted.

This government must institute regulations to achieve an immediate reduction of ozone destroying CFCs and similarly lend technical and financial assistance to developing nations. Canada should also show leadership by immediately calling for an international meeting to set new goals for emission reduction.

[*Translation*]

LOUVICOURT MINING PROJECT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the Louvicourt mining project in Abitibi is one of the biggest discoveries in recent years, both in Canada and worldwide. It compares with Kid Creek, and in fact, Val-d'Or has not seen anything like it for the past 20 years.

AUR Resources can now start exploration of its major mining discovery in Val-d'Or—Louvicourt, which will generate 522 direct jobs and revenues totalling $2 billion. This extremely rich property is 55 per cent owned by AUR Resources of Toronto, while the remaining 45 per cent is owned by Louvem of Montreal.

Since last year, Mr. Robert Bryce, Vice President, Production, of AUR Resources, has been working in Val-d'Or. If all goes well, production should start by the end of 1993. Commercial production should be under way by 1994, and operations will be in full swing, with an output of 1.8 million tons a year, by 1997.

Many thanks to the people in the Quebec and Canadian mining industry.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

Mr. Joe McGuire (Egmont): Mr. Speaker, it has been brought to my attention by many of my constituents in Egmont of a new policy of Employment and Immigration Canada which is causing a great deal of hardship and controversy. It is this. It is called an insurable employment questionnaire and it has to be filled out and returned with an application for UIC benefits.

The first question on the questionnaire is: "Are you related to any of your employers by blood, marriage, including common law, or adoption?"

Immediately the question arises in the minds of the applicant that there is something wrong or evil if he or she is related to the employer.

There is a feeling of guilt or wrongdoing if such is the case. In many small communities such as those in Prince Edward Island, and especially fishing communities, this

is indeed the case. Many employers are related to their employees. It has always been the case.

Suddenly there is an implication of something illegal with an employee being related to an employer. If the applicant checks "yes" then the UI application goes to Revenue Canada for an insurability ruling which takes two to three weeks, which in turn results in a six to eight week delay in the applicant receiving UIC benefits.

The other two questions are: Do you have a controlling interest in any of the companies for which you work, and, are you involved in any business relationship with your employer.

My questions, Mr. Speaker, areas follows: Is this questionnaire discriminatory? Does it infringe on the rights of our citizens and their Charter of Rights and Freedoms and why are applicants for UI being harassed in this way?

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YUGOSLAVIA

Mr. Garth Turner (Halton—Peel): Joining my colleague from Brampton—Malton, Mr. Speaker, I would like to call upon the world through this House to immediately intervene in Yugoslavia, to stop the bloodshed and oversee a peaceful resolution to the demands for independence being made by the various states, such as Croatia and Macedonia.

Today, Dubrovnik is being bombarded by the federal Serbian forces, destroying a 14th century city contrary to international law. Even the Nazis during the Second World War respected this law. More importantly, I call upon this House to extend immediate humanitarian aid of food and medical supplies to the Croatian people whose crops have been destroyed or disrupted by war.

This is the time for free men and women of Canada to act compassionately, decisively and immediately.

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CO-OPERATIVES

Mr. George S. Rideout (Moncton): Mr. Speaker, it is a pleasure for me to rise in the House today to give special recognition to the work of the co-op movement in this country. National Co-Op Week was held recently to recognize the importance of this movement right across the country. In a quiet way, the co-op movement has permeated virtually every aspect of our community's social and economic fabric. Working at the grass roots level it has become an important force in our development and every effort should be made to ensure that a level playing field is provided the co-op movement.

The GST is one thorn in the side of co-operatives. It puts them at a disadvantage with other competitors in the retail sector. As it stands now, for example, in retail co-ops where groceries are sold, co-op membership fees are being taxed. This is unfair. In effect, members are being taxed on zero-rated items and the costs in terms of dollars as well as competitiveness are extreme.

I call upon the Minister of Finance to deal the co-ops a fair hand. Remove this inequitable tax and allow them equal footing as their competitors.

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ATLANTIC ECONOMY

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the four Atlantic premiers met yesterday in Halifax to discuss the reduction in federal transfer payments for the 1991-92 fiscal year.

The premiers recognize that under the present funding formula, the Atlantic provinces are suffering as a result of the slowdown in the economies of the richer provinces, particularly Ontario.

No one will argue with the point that these reductions will place the provinces in a difficult position. The premiers have opted to seek constructive alternatives to the present funding arrangements between Ottawa and the provinces and work toward streamlining of services and strengthening their provinces' voices in determining where and how regional development moneys are spent.

I applaud the Atlantic premiers for their positive approach to a very, very difficult problem.

Oral Questions

ORAL QUESTION PERIOD

[*Translation*]

UNEMPLOYMENT INSURANCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Finance. In the 1989 Budget, the government promised there would be no increase in unemployment insurance premium rates in times of economic stress. Canada is now going through very hard times. There are over 1.5 million unemployed Canadians, and Montreal alone has more than 200,000 unemployed. In July, however, the government broke its promise when it increased UI premum rates by 24 per cent, and now it is rumoured there will be another increase of 14 per cent. Is it true the government intends to saddle Canadians with another increase in unemployment insurance premium rates next January?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is wrong in her assertion. If we were to follow her line of thinking, we would violate the legislation. The legislation clearly outlines that the unemployment insurance account must be maintained on a self-sustaining basis.

In terms of any projections of future rate increases, the hon. member I am sure is aware that the process is very clear. The commission makes recommendations with respect to any changes in UI rate premiums, and that is subject to the approval of the Minister of Finance. A rate has not been set and a recommendation has not come forward to me, so it would be premature to make any further comment.

• (1420)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary is to the same minister.

I would like to read to the minister the words of his predecessor in the 1989 budget when he said: "The government will continue to contribute to the financing of the program in difficult times when it is inappropriate to raise premiums".

Does the minister believe that we are living in difficult times right now, and if he does believe that 1.5 million Canadians are living in difficult times, will he do the right thing and guarantee no increase in the unemployment insurance premiums?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, whenever a recommendation comes forth, all of these things will be taken into consideration.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I see it is not just the Prime Minister's own UI scheme that the government is refusing to answer questions about, it is everyone else's as well.

I would like an answer from the Minister of Finance today. He made a promise by way of his predecessor in the 1989 budget that in tough times there would be no UI premium increases. The government broke that promise in July with a 24 per cent increase and it is now contemplating to hit taxpayers with another 14 per cent indirect tax hike.

Will the Minister of Finance guarantee that he is going to give some life to the economic recovery by denying any further UI increases?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it really is unfortunate that the hon. member does not listen to answers.

I said in the answer to her first question that the process is very clear. The commission sets the rate subject to the approval of the Minister of Finance. That recommendation has not come forward. There is no recommendation so I cannot give it any consideration. I said in my second answer to her that all of the elements of the current prevailing climate would be taken into consideration.

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CROWN CORPORATIONS

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, for the last three years not only have some of the heads of our Crown corporations received an annual bonus on their salary of up to 25 per cent, but now we discover that their salaries have increased by over $100,000 a year.

I want to ask the government by what logic can the chief executive officer of CN receive $396,000 a year plus a bonus? By what logic did the head of Canada Post get a $105,000 salary increase and now make over $300,000 a year plus a bonus? Is it because of the number of post

offices and jobs he has done away with? Why these obscene, secret salary increases?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, first of all, I do not agree at all with the statement just made by the hon. member. I repeat, his numbers are not true. He has access to the salary ranges, which are public.

I will repeat again that managers in the Public Service or in a Crown corporation receive a compensation package made up of two parts, salary and a performance pay. I do not intend to apologize for that because this is a good way of passing judgment on their efficiency. I do not apologize for that.

I will say again that all of those who come under the Canadian government will get 0 per cent increase in salary and 0 per cent increase in bonus for this year.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the salary range of the head of Canada Post went up $170,000 in the past three years.

Not only do government appointed Crown corporation executives receive bonuses, but now we discover that all executives of Crown corporations receive bonuses, compliments of the politically appointed boards of directors.

By what logic can politically appointed boards of directors use taxpayers money to give annual bonuses? By what logic can the recently appointed hairdresser to the board of the Federal Business Development Bank be giving out annual bonuses? Why does he not give them all a perm? That is good for a year, is it not?

An hon. member: No it isn't, George.

An hon. member: No, it isn't, George. That's a question to curl your hair. You got a perm last year and I want to know about it.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I will need to take an increase. I cannot hardly take a perm, can I?

I am very surprised. This has come up a couple of times in the House, the rather negative statement about small business people. I have listened to the hon. member time and time again in the House and I listen to him very attentively because he can be very amusing. If I have to choose between the judgment of a small businessman and his, I will take the small businessman any time.

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TRADE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister for International Trade. Today the Business Council on National Issues released its study by Michael Porter on Canadian competitiveness. Not surprisingly, given the source of the document, it is a study that supports many of this government's failed economic policies.

My question for the Minister for International Trade is this. What role did government officials play in helping to draft and prepare this document?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am not aware of any role they played. We had discussions with Mr. Porter about a year ago now. When the contract was let, we requested Mr. Porter and his group to provide information on our competitive position using the various techniques that he has supplied in the case of a number of other countries.

As my hon. friend is aware, Mr. Porter has done studies of this kind in the case of at least a dozen other countries. We felt that would be useful. Mr. Porter has applied those techniques and out of that has come the study.

I might say to my hon. friend that he did have the guidance of a committee of experts in Canada who were advising him on certain Canadian aspects of it, but there are not any government officials on that group of experts.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have in my possession documents that were obtained through freedom of information which indicate that government officials in fact were deeply involved in defining the parameters of this study, in developing a communications strategy in co-operation with BCNI, indicating that senior officials discussed with Porter and with BCNI the themes of the final conclusions of this report.

I want to ask the minister: Why did the government provide $400,000 to its friends in corporate Canada to prepare this report? Why did it try to circumvent the direct role that an independent study should play? Why did it instead attempt to persuade Canadians that this

was a study which came from other than the government when the government was involved up to its neck?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I did indicate to the hon. member that we did set some parameters for the study as part of the ground rules that we set any time we provide public funding for a study. We say: "Here is what we want you to review".

Mr. Porter is an author of 12 books, 45 articles, an internationally recognized expert on competitiveness and provides advice to a range of major corporations around the world. If he is suggesting that Mr. Porter is going to make changes to his report based on requests from government officials, then I think he is selling short the quality of the man we have asked to do this work. I think the description that I have here of what Mr. Porter has done in advising on competitiveness would support the position that I have taken.

• (1430)

As I have said, we provide some parameters for him, as we would do in any case, but then it is up to Mr. Porter to write the review.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me just quote briefly from several of these documents, first from proposed clauses between the federal government and BCNI Communications, "BCNI and the government are to jointly develop an over-all communications plan"; second, from a memorandum from the Business Council on National Issues to the government advisory board, "preliminary discussion of the themes of the final chapter of the document which will address implications of the study findings for business and government".

I ask the government why it is trying to cover up the fact that it has been a major author of what is in fact a defence of government policies rather than an independent study.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am tempted to use language that is not appropriate to this House to describe the questions and the allegations that my hon. friend has just made.

Certainly we are going to sit down with Mr. Porter and make sure that the areas we want him to cover in a report are covered so that we can make sure that the $400,000, in this case, will be properly spent.

I would also say to my hon. friend that we have had similar types of discussions with the Canadian Labour Congress on a study that it wishes to do on the competitive position of the Canadian economy. We will apply the same ground rules with them. We will sit down with them and discuss what the parameters of any study will be and we will sit down with them from time to time to make sure that the work as it continues follows the guidelines and the rules set out by us in establishing that there is an appropriate use of government funds.

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[*Translation*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Acting Minister of the Environment. Canada is already committed to eliminating all CFCs by 1997. On Tuesday, a UN report concluded that current reduction measures are inadequate. The ozone layer is deteriorating twice as fast as expected.

Will the government follow the example of other countries like Germany and Norway? Will it make a commitment today to eliminate all CFCs by 1995, at the latest?

[*English*]

Hon. Pauline Browes (Minister of State (Environment)): Mr. Speaker, I am pleased to have an opportunity to discuss this issue because Canada is a real leader in CFC reduction, as it was stated in the Montreal Protocol of 1988.

CFCs in our own schedule are to be reduced by 1997. But I would like to remind the hon. member that a very substantial commitment has been made by the green plan concerning the CFC reductions and the improving of the regulations.

Mr. Paul Martin (LaSalle—Émard): That kind of reply is simply inappropriate. The United Nations has just said that the basis for those commitments is entirely inappropriate, that the situation is twice as bad as we thought it was.

My question for the minister is this. Will the government call for an immediate emergency meeting of the world body that is dealing with the ozone layer? Will the government call for a meeting that will deal not only with CFCs but one that will, as well, call for an urgent end to all other ozone depleting chemicals? Canada has a leadership position. Take it.

Hon. Pauline Browes (Minister of State (Environment)): Mr. Speaker, the Government of Canada and Environment Canada have taken a real leadership role in this issue and the hon. member knows that. I want to remind him that we will be sitting down with other countries in order to review that. Our position is very clear and very strong.

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CANADA POST

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my question is for the Minister of Labour. In today's *Ottawa Citizen* Canada Post vice-president Harold Dunstan is quoted as saying: "Yesterday we thought we had an agreement. The union thought we had an agreement and Justice Gold thought we had an agreement. So there must be an agreement there".

It was also yesterday that Justice Alan Gold resigned as the government appointed mediator in this dispute.

Will the minister explain to this House why Justice Gold resigned when it appeared to both sides and to Justice Gold that an agreement was imminent?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I am sure that all members of the House would with me like to thank Justice Gold for the excellent work that he did—

Some hon. members: Hear, hear.

Mr. Danis: —and for the excellent work that he has done for this country for a number of years as Chief Justice of the Quebec Superior Court.

The contract agreement ended on July 31, 1989. At that time the government appointed a conciliation commission which went on for approximately 10 months. There were over 70 meetings. At that time also there were over 300 issues that were not solved.

When we got the report I then appointed Justice Gold. At that time there were 22 items that had not been solved and I now understand they are down to very few. A lot of progress has been made by both sides, but it was Justice Gold's judgment that an agreement could not be reached. That is why he withdrew.

Second to my boss, the Prime Minister, Justice Gold is the best mediator we have in this country.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my supplementary is for the minister responsible for Canada Post.

I met with union officials this morning and they tell me the statements made by Mr. Dunstan in today's *Ottawa Citizen* are accurate so I do not buy the argument by the Minister of Labour. Furthermore, Justice Gold is also quoted in that same article as saying: "What I learned during the process I will take with me to the grave".

Will the minister acknowledge that the real reason behind Justice Gold's decision to resign is that he was pressured by this government and by the minister? Will the minister please give us the real story?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, anybody who knows Justice Gold, even by reputation, knows that is an impossibility.

The reality is that on a number of occasions all parties thought they were very close only to go back to the table to find they had spread apart and subsequently they came close together.

There is still an opportunity to reach a settlement at the table. I hope they will do so. Justice Gold gave it his best shot. He thought there was no more useful purpose to be served by him staying there.

As I say, they can still reach an agreement. They met yesterday afternoon. They do not have plans to meet again, but they can meet at any time and if there is goodwill on both sides they can reach that agreement. I hope they do that because I do not think the people of Canada need to again endure the disruption and cost of another postal strike. That would be the most irresponsible thing that could happen.

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EXTERNAL AFFAIRS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Acting Secretary of State for External Affairs.

As the minister knows, the Yugoslav army has been ruthlessly shelling the historic city of Dubrovnik, wreaking devastation, injury and death, including an attack on the city hospital.

I want to ask the minister if the government will now condemn in the strongest possible terms this outrageous attack, provide desperately needed humanitarian aid directly to the people of Croatia and make sure that it gets through to the people of Croatia, impose with the European Community strong sanctions, and finally insist upon the immediate withdrawal of the army from Croatia so that the will of the Croatian people for independence can finally be recognized.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, that is exactly what we propose to do. We are going to be raising the question of the Dubrovnik damage at the UNESCO conference in Paris today or tomorrow. We will be condemning, in the strongest possible terms, this senseless destruction.

• (1440)

The Prime Minister has taken the initiative to put this issue before the Security Council of the United Nations. We are working with our friends in the European Community to ensure that we get the broadest possible front, whether it is sanctions, peacekeeping or international condemnation, of what is happening in Yugoslavia today.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, a supplementary. The minister has still not indicated when the Canadian government is going to show leadership on the issue of sanctions. I think that is what Canadians want to hear.

My supplementary relates to another area in which there has been enormous personal tragedy and violence, Nagorno Karabakh.

In view of the history of deportations, shooting and detention of Armenians and the closing of the airport at Stephanakert, will the Canadian government support an international UN peacekeeping force in Karabakh and will we provide urgently needed humanitarian aid directly to the people of Nagorno Karabakh?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, these are all matters we are discussing with partners in the European Community and other countries who have like-minded objectives in this regard. We are doing everything we can possibly do on an internationally co-operative basis to cause many ceasefires to be held to so that we can see an end to this senseless destruction.

* * *

TRADE

Mr. Jim Peterson (Willowdale): Mr. Speaker, Canadians did not need the long overdue million dollar Porter study to realize that we are in trouble, that our competitiveness is falling, that unemployment is a major problem, that we are pitifully weak in science and technology, research and development and that training is wholly inadequate.

Will the industry minister tell us just what it is that he learned from the Porter study that Canadians and his own industry officials did not already know?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, there have been, as my hon. friend is aware, a number of studies. There is not a clear consensus or a clear understanding as to what should be done. It is precisely for that reason that we asked Mr. Porter and his group of experts to review Canada, taking into account the international experience they have gained over the years in studying similar situations in over a dozen countries.

We are going to be launching, as my friend is well aware, a broad consultation within Canada so that we can pull together all of this work in a way that generates a national consensus. Out of this we can have a national action plan that will get the full power of the nation, not one level of government, not two levels of government, not the private sector, but everybody pulling together behind this national problem and improving our competitiveness.

Mr. Jim Peterson (Willowdale): Mr. Speaker, while this government dabbles, the clock is ticking away on Canada's economic future. We need action. We do not need more studies.

An hon. member: That is right.

Mr. Peterson: Even Mr. Porter recognized that, and I quote: "Labour should be treated as a partner, not as an adversary". How can Canada be competitive when it is this government's policy and agenda to beat labour into submission? What steps will this government announce

today to ensure that labour becomes a full partner in Canada's economic renewal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my friend and the member for Windsor have both been critical of government policy.

Today we have interest rates below 8 per cent. The Treasury bill rate is below 8 per cent for the first time in close to 10 or 12 years.

An hon. member: It is 13 years.

Mr. Wilson (Etobicoke Centre): In 13 years. So we have seen the results of the policies we have been following translated into real action in the marketplace that are bringing down interest rates and through that reduction in interest rates, generating the economic recovery that my friend is asking for.

My hon. friend says he wants action. There is the action. There is the performance that is going to bring about the economic recovery that we need in the country.

As regards labour and the role of labour, I think my hon. friend is quite well aware through reading the newspapers that, far from doing what he suggests we had done in his stupid preamble, we have been working with the Canadian Labour Congress to see that it is part of the consultations that we will be launching next week.

For its reasons, it has decided not to. I am sorry that that is the case, but I am sure that through other means and representations, through other involvements, the voice of labour will be heard in a strong way in these consultations.

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TRAINING

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, the Porter report on Canada's competitiveness is just the latest in a long line of reports that tells this government that Canada needs to seriously commit itself to training.

Before this report, we had reports from the Conference Board, the Economic Council and the DeGrandpré commission. I would like to ask the government how many reports it is going to wait for and how quickly are we going to get action on this extremely important issue to global competitiveness, namely national training.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the way the hon. member asks the question suggests that we have not done anything on training.

We started from a point of about zero government funds being spent on training when we took over the government from the Liberal Party in 1984. We have moved that to a point where this year there will be some $2.2 billion in federal government funding for training programs.

What my hon. friend misses is that governments alone cannot solve this problem. There are reports that show that the private sector in Canada is spending .03 per cent of our national income on training programs.

To put this into context, company training programs in the United States are double that. It is .6 per cent. In Japan, it is 1.2 per cent and in Germany, it is 2.4 per cent. What we have to do in this broad national consultation is impress upon the private sector management and labour alike that it is extremely important for the private sector to do its job in generating a greater degree of spending and commitment to training programs so that we can deal with the challenges that we are facing in an internationally globally competitive economy.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, quite frankly, what this nation needs is not more and more consultation. What this nation needs is action on the issue of training.

The minister's response inadvertently draws attention to his government's incompetence on this issue. Reports today indicate that the Canadian Labour Force Development Board has recommended an additional $400 million be spent on training. Half of that would go just to compensate for the cuts this government has made in the last two years.

I ask the minister: When is this government going to understand that if Canada is to compete globally, this government has to do more, not less, in the area of training.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member cannot talk out of both

sides of his mouth because we have demonstrated action in going from zero to $2.25 billion.

Part of those moneys was on legislation that was delayed by the Liberal Party of Canada for a full year. If the hon. member is criticizing the government for not spending more on training, it is only in the mirror that he should be looking to see why the delays occurred.

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SOCIAL PROGRAMS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is also for the Minister for International Trade.

Last week in Chicago, the minister said: "No man, no woman, no child goes without adequate medical care, decent shelter or proper food in Canada.

The minister surely knows that over 2 million Canadians live on welfare. Over 1 million Canadian children go to bed hungry at night and over 100,000 Canadians are homeless. In light of all this evidence of hunger and homelessness in Canada, why did the minister make such an erroneous statement to his American audience?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think that the hon. member should look at the context of that comment. I was making it in the context of a statement whereby the United Nations has stated that Canada is the second best place in the world to live, that we have the second highest level of measurement in a range of things including health care, the environment, and other things related to welfare.

• (1450)

We have in this country one of the best welfare programs in the world today. We have one of the best unemployment insurance programs in the world today.

The hon. member, in standing up and making the statements that he has just made, is casting doubts on what is widely regarded in other countries as the one of the best combinations of programs to support people in poverty, in hunger and who are in need of health care.

UNEMPLOYMENT INSURANCE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is to the Minister of Finance.

One year ago in this House, October 26, in response to reports that there was a large projected deficit in the unemployment insurance account, the then Minister of Finance referred to the fact that there were fixed rates for UI premium rates for three years and said that: "If there is any shortfall then this will be made up by the government".

One year later we have another indication that there will be a shortfall. Will the government keep its promise that it did not keep last year when it increased UI premium rates by 24 per cent, and ensure that any shortfall will be picked up by the federal government as it promised? You promised it.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I answered that question in the House on two different occasions.

The hon. member is speculating on a premium rate change. All I can say to him is that the process is very clear. The UI Commission makes a recommendation for any rate increase or the maintenance of the *status quo* as a recommendation to the Minister of Finance and the Minister of Finance has to approve it. That recommendation has not been forthcoming. The rate has not been set and, therefore, I cannot comment on the hon. member's question until such time as the recommendation is brought forward.

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[*Translation*]

FISHERIES

Mr. Louis Plamondon (Richelieu): Mr. Speaker, my question is directed to the Minister of State (Employment and Immigration). The *Coopérative des pêcheurs commerciaux du Lac-Saint-Pierre* applied for a $200,000 grant under the community investment fund program. After spending two years preparing their case, which meets all the program's criteria, Quebec head office unanimously recommended—I have the document right here—that the department approve the grant. I may remind the minister that this was a request for start-up funds, not a job-creation program. Could the minister perhaps explain why she used her discretion in such a partisan way and refused to approve this grant, thus

endangering the survival of freshwater fishing in Quebec?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, first of all, I am amazed the hon. member opposite should direct inquiries about the state of his riding business to a federal minister.

I am acquainted with the case. The hon. member and I discussed it several times in the lobby of this House. I even met the sponsors of this project to try and find a way out of the administrative impasse that had developed.

At that meeting I made a counter-proposal that was rejected out of hand. I felt that, as a minister, my responsibility included job creation, and that is why I made this proposal. The reasons why your request was rejected were mentioned in a letter I sent to the Quebec Minister of Agriculture, Fisheries and Food, with reference to an announcement made in my riding on May 24, this year. I think we could continue this discussion outside this House.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I am very surprised at the minister's response. The minister said it was for administrative reasons, but there are no administrative reasons. The recommendation made by her own departments to her office was unanimous.

The minister indicated there was no partisanship involved. I have here a letter signed by the mayor of Bécancourt, the president of the Community Futures Centre, the director of the credit union, by five people who met the minister and who said the minister told them she turned down the request because the member for Richelieu was a member of the opposition. Is the minister prepared to sign the recommendation made by her senior officials and save the fisheries in Quebec, and thus shed the negative image this has created for the department and the program?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the hon. member hides behind our senior officials and airs publicly the results of negotiations conducted as part of an approval process. I am the minister responsible for implementing our job creation programs. I entered politics in 1984 to help our co-operatives and communities, and I resent being taken to task and scolded for being partisan because I made an administrative counter-proposal to break the administrative impasse in this particular case.

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[*English*]

CANADA AT THE CROSSROADS

Mr. Garth Turner (Halton—Peel): Mr. Speaker, this morning Professor Porter's major study on competitiveness called "Canada at the Crossroads" was unveiled. My question is about the report and it is directed to the Minister for International Trade.

At its heart the report says that for Canada to be competitive, we must have co-ordinated economic policies between Ottawa and the provinces, have free trade within Canada and balanced budgets at all levels of government. I would like to know if the minister agrees with those goals and if he thinks they are realistic and can be achieved.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first of all I do agree with these specific thoughts that are in the Porter report. I would also make the point that what is needed here is not a period of partisan game playing as we saw in the House today, but a recognition that there are some very serious problems that we are facing in training programs, in the development of more research and development, in dealing with the problems of a common market within the country and how we improve our activities internationally.

We would welcome the active participation of members opposite as I know we will get from members on this side of the House in dealing with what is a national problem of challenging our private sector and governments to deal—

Mr. Speaker: I think we will have to move on. The hon. member for Halifax.

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ATLANTIC ECONOMY

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister of Finance. The Atlantic Canada Opportunities Agency released its report "The State of Small Business and Entrepreneurship in Atlantic Canada" at a cost of $80,000. At the same time the unemployment figures in Nova Scotia are at 11.6 per cent and also

in Nova Scotia bankruptcies are at the highest level in the entire country.

Will the Minister of Finance tell us what specific programs that he is putting in place to combat what is effectively the economic collapse in Atlantic Canada?

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, to the hon. member opposite, there are many programs that are already in place that are worked in conjunction with the Atlantic provinces. ACOA is only one of the programs which is administered mainly by the federal government. There are always ongoing talks with the premiers in Atlantic Canada for ways and means of improving the situation in their economy.

Ms. Mary Clancy (Halifax): Mr. Speaker, I thank the parliamentary secretary for his answer but I again place a question to the Minister of Finance in the absence of the Minister responsible for ACOA.

Will the minister finally agree with the Atlantic provinces premiers and set up a committee that will look at the mandate, the funding and the effectiveness of ACOA as a regional development agency?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we will look at any positive suggestions to improve the economic fortunes in Atlantic Canada. I think the best thing that we can say today is that interest rates continue to decline because we have brought inflation down to a tolerable level. As the Minister for International Trade pointed out, for the first time in probably 13 years the Treasury bill rate has dropped below 8 per cent. The bank rate is 8.17 as of today. That is a 13 basis points decline today.

I think that is heading in the right direction.

* * *

IMMIGRATION

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Minister of State for Immigration. According to today's *Ottawa Citizen* the Liberal immigration critic has proposed incarcerating refugee claimants while they await processing. This proposal has been described by the counsel for the Canadian Council of Churches as "sounding like the refugee concentration camps in Hong Kong".

• (1500)

He also calls it a stupid idea. Can the minister advise the House whether such an idea is the policy of this government and whether it ever will be for electoral or any other purposes?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): No, Mr. Speaker, this government never intended to set up a camp for refugee claimants, whether it is called "Welcome to Canada" or anything else. What we have done is to set up an administrative and judicial refugee determination process that is recognized as a model nationally and internationally. This system treats men and women equally, helps legitimate claimants and firmly sends back those who are not.

* * *

[*English*]

YOUTH PROGRAMS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the minister for youth.

With this latest government initiative against school dropouts why has the minister not announced comprehensive evaluation plans to be able to determine what kind of success this particular initiative might have?

How will Canadians know whether or not our young people will be able to get better jobs as a result of this particular program? When will the minister be able to tell this House and Canadians what he expects to do in this area?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I think the hon. member has answered the question of what we expect to do in this area. We have a program in place that is being implemented across the land. I am told it is very successful, and as soon as I have some concrete numbers I will be very pleased to share them with the House.

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my supplementary question is for the Secretary of State. About five million Canadians are functionally illiterate, and the federal government has decided to try to help them. Can the minister responsible for this program say how many people who were functionally illiterate can now find jobs in Canada as a result of this involvement?

Hon. Pierre H. Cadieux (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, since this is a very specific question which should perhaps have been put on the Order Paper and since my colleague, the Secretary of State, is unfortunately not here today, I take note of the question and am sure that my colleague will answer him as soon as possible.

* * *

[*English*]

NUCLEAR INDUSTRY

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is for the Deputy Prime Minister.

Last June the former Secretary of State for External Affairs assured us that the atmospheric releases of radioactive contaminants from the Hanford nuclear waste facility south of the B.C.-Washington border posed no negative impact to Canada.

Today we find out that Canada's Atomic Energy Board actively discouraged the federal government from questioning U.S. officials about such radiation leaks for fear of reciprocal scrutiny of Canadian operations.

I want to ask the Deputy Prime Minister whether he will come clean and admit that the Atomic Energy Control Board has failed in its role as Canada's nuclear—

Mr. Speaker: The hon. member can put his question without the suggestion that there is some sort of wrongdoing on the part of the minister.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased to answer the question because it gives me an opportunity to put the facts on the record.

Mr. Norm Rubin is stated as saying that he was not able to get the letter. I have the letter here. He had a copy of it and I would be willing not only to table it but I would also like to be able to table the results.

In the results the point is this: the levels are being set internationally. We then set them even below that for Canadian standards and then below that. It was at 2 per cent of those levels.

We want to be in favour of the environment. We want to be in favour of the veracity of regulatory agencies. We want truth here. I expect it from members opposite too.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the deputy House leader concerning the business for tomorrow and the remaining parts of next week.

While the minister is on his feet, I wonder if he could indicate to the House whether or not the Minister of Labour who is in the Chamber will be making a statement tomorrow under ministerial statements explaining to the House what has transpired or not transpired with regard to the postal dispute that has resulted in the mediator resigning.

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, it is our intention to introduce an act tomorrow to provide for the continuation of postal services. We hope that after discussions among the usual channels we can call it for debate at second reading on that day and possibly complete debate at all stages later on the same day. If not, then it is our intention to call Bill C-35, respecting the Miscellaneous Act, for completion at second reading and government Motion No. 5 on decorum in the House for completion.

For Monday and Tuesday, depending on the discussions with regard to the postal service bill, we will then decide what business will be called.

Mr. Dingwall: Mr. Speaker, that comes as somewhat of a surprise in view of the discussions that transpired among the House leaders of the respective parties. We thought that we would be proceeding on Friday as agreed with the conflict of interest motion that the government was going to put before the House.

Can the minister indicate whether or not the Minister of Labour will be responding to a specific question that I have raised with regard to a ministerial statement tomorrow about the post office?

Mr. Cadieux: It is my understanding that the Minister of Labour will be speaking with his critics this afternoon. I am sure that when the legislation is tabled, if it is tabled tomorrow and if debate occurs, the minister will be speaking in the debate.

Mr. Dingwall: Mr. Speaker, I know that the deputy House leader does not wish me to get into the realm of the hypothetical, but this is a deviation from what we had agreed to earlier in the week.

Consent will have to be given by the House in order to proceed with the postal legislation. If we assume for a moment that it is not available, would the Minister of Labour indicate to the House if it is his intention, in view of what has transpired, under ministerial statements to give a comprehensive statement to Parliament as to what has occurred in terms of the breakdown and/or resignation of the mediator who the government appointed in the Canada Post dispute? Would the Minister of Labour or the deputy House leader be candid enough to give us that kind of information?

Mr. Cadieux: Mr. Speaker, I agree with my hon. colleague that we should not work on hypothesis. I indicated in my answer that before the bill is tabled tomorrow there will be discussions through the usual channels. The Minister of Labour will be speaking with his critics and decisions will be made at that time. Depending on those decisions there will be acts that will follow. If need be, the Minister of Labour, as I have indicated, will be speaking in the House and I am sure that as Minister of Labour introducing that legislation he will be speaking.

If the Minister of Labour, after discussion with his critics, determines that he should do something else he will make that decision at that time.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY (S. O. 81)—ESTABLISHED PROGRAMS FINANCING

The House resumed consideration of the motion of Mr. Baker (p. 3918).

The Acting Speaker (Mr. DeBlois): When the debate was suspended at one o'clock, the Official Opposition had the floor and had agreed to divide its time into 10-minute periods each. I recognize the hon. member for Halifax; she has the floor for 10 minutes.

[*English*]

Ms. Mary Clancy (Halifax): Mr. Speaker, I am very happy to participate in this debate but I am very sorry that there is a need for it at this time.

When we recessed for the lunch hour, I had been sitting in this House listening with great interest to the remarks made by my colleague, the member for Fredericton—York—Sunbury, who is of course a member of the government party. It is very interesting because the member for Fredericton—York—Sunbury and I have constituencies that have a great deal in common. They are both capital cities of small maritime provinces. They both have university constituents. I have five universities either within or very close to my riding. They both have several hospitals, although since Halifax is the larger centre it is the regional health authority and the regional health centre for Atlantic Canada. There are a lot of similarities between Halifax and Fredericton.

• (1510)

I have to say I was disappointed in the remarks of the hon. member, but I am disappointed on an almost daily basis because of the remarks of many members and ministers on the government side with regard to what is happening in Atlantic Canada.

In the city of Halifax we are very fortunate to be a centre of higher education and learning. We have universities that are second to none such as Dalhousie University with its superb professional faculties. Indeed in this House sit many graduates of that university such as the member for Kingston and the Islands. There are other members who almost graduated from that institu-

tion. and did not quite make it, but in the interest of decorum we will not get into that.

Mrs. Gaffney: Read the book.

Ms. Clancy: Absolutely. The member for Nepean says: "Read the book". I could not agree more.

However, in all seriousness, Dalhousie University, St. Mary's University, the Nova Scotia College of Art and Design, the Technical University of Nova Scotia, the University of King's College, Mount St. Vincent University, the Atlantic School of Theology are all institutions of higher learning. But as I said in Question Period yesterday, their students, faculty and boards are bleeding from a thousand wounds.

The situation is no different at the University of New Brunswick or at St. Thomas University on the same campus. It is no different at UPEI as my colleague, the hon. member for Egmont, is reminding me. It is no different at the College of Cape Breton. It is no different at Memorial University. It is no different at the University of Moncton. In other words, it is no different in any of the Atlantic Canadian universities. We have the highest tuitions. We have the lowest pay for our faculty and staff. We have the oldest physical plants.

Let me tell the House about the age of some of the physical plants. Dalhousie University was Nova Scotia's centennial project, so the province has given a great deal to this university over the years that it cannot well afford. It is possible to be injured fairly severely if you walk around certain parts of one building because pieces of concrete will fall off and, if you are not careful, you will get hit by them. There are now signs around saying "stay away from this particular side of the building" because there is no money to fix it. There are also antiquated heating systems.

Last week I attended a rally of at least hundreds of students. The student union building at Dalhousie was jammed to all its doors with interested young people on the issue of their problems in the university today. One young woman stood and told us that she attends a class that should be for 15 people but there are 40 people in the class. This is really a small problem in the grand scheme of things because there are other classes that are supposed to have 20 and have 200, but the particular problem that she raised was not even the fact that 40 people are too many in a class that is suppose to have 15. The problem she raised was that the room where those young people, our children, are studying is set up for 15 people and there are 40 people in that room. If there was a fire or other problem in these ageing buildings that are under-maintained because the university has no money, what would happen to those 40 young people crowded into a space for 15?

These are the kind of realities that Atlantic Canadian universities are facing. Yet Friday this government cut upward of $170 million from Established Programs Financing.

Yesterday in Question Period, today in Question Period, every day the members from Atlantic Canada on the opposition side are on their feet talking about the needs of our constituents. We are getting a little tired of our needs, our constituents' needs, our province's needs, our region's needs falling on deaf ears.

An hon. member: And we are tired of listening to you.

Ms. Clancy: Well, no doubt you are. If that gentleman interrupts me again, Mr. Speaker, I would like to call on the hon. House leader of the government to come in and protect me from indecorous acts and interruptions.

Some hon. members: Hear, hear.

Ms. Clancy: Thank you.

An hon. member: Get Harvie back.

Ms. Clancy: Yes, I want to know where he is when I need him.

After that dreadful attack, Mr. Speaker—I would think that the hon. gentleman might be able to do better.

An hon. member: Oh, oh.

Ms. Clancy: They are interrupting again. I do not know what I am going to do. I will just have to go and cry somewhere.

An hon. member: With Harvie.

Ms. Clancy: Oh, heaven forbid!

An hon. member: He is in there weeping.

Ms. Clancy: The hon. member for Kingston and the Islands makes certain suggestions that are absolutely untenable.

Mr. Speaker, to get back to the serious issue at hand, the people of Atlantic Canada are very tired of coming hat in hand to the federal government. The people of Atlantic Canada are asking this government to give them the kinds of programs that create the atmosphere where they can compete.

This government is forever talking about competitiveness and when it talks about competitiveness it is putting muzzles on our universities. It is cutting our universities in two. It is decimating our universities and creating situations where our students cannot learn, where our faculties cannot do research and development, and where once great traditions are suffering because the climate is not there to allow them to do what they do best, which is to teach, to research, and to develop.

That is a crime.

I would like to touch very briefly on the second issue—

Mr. Belsher: The Liberals spend more money.

Ms. Clancy: The hon. parliamentary secretary tells me to spend more money, that is what the Liberals want to do. Actually, Mr. Parliamentary Secretary, through you Mr. Speaker, it is not such a bad idea. You have to spend some money to make some money. You have to be prepared to foster research and development if you want to have a country that is competitive and on the cutting edge. It may well be that the tight-fisted parliamentary secretary cannot see that point but perhaps he could come to some of our seminars some time and we could explain it to him.

Some hon. members: Hear, hear.

Ms. Clancy: Mr. Speaker, beyond that I do want to touch on the other area that is so important, not just to Atlantic Canada but to the country as a whole, but which in Atlantic Canada is part of the Established Programs Financing and that is health care.

My city of Halifax is the centre for most of the critical care in Atlantic Canada. We have the hospitals. We have the support programs, the rehabilitation centre, all sorts of different institutions that are involved in the care of Atlantic Canadians. Patients come from New Brunswick, Newfoundland, P.E.I., from all over Nova Scotia for treatment.

Beds are closed in our hospitals. Patients are waiting for elective surgery that if they have to wait too long can stop being elective and become crucial.

The general health of Atlantic Canadians is suffering because of the cutbacks of this government in Established Programs Financing. It is suffering because the Victoria General Hospital has to close beds. The Halifax Infirmary has to close beds. Kentville Hospital has to close beds, and on and on across the region.

Atlantic Canadians are not second-class Canadians. They are first-class Canadians. They have shown themselves to be first-class Canadians. They have first-class universities and they have first-class hospital facilities. Unfortunately, what they are getting is a second-class federal government with second-class ideas about funding.

Mr. Speaker, it is a shame.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, it is a pleasure for me, as always, to hear the hon. member for Halifax make a speech in this House, and I wish to ask her some questions on what she said.

[*English*]

The member indicated that we have been asking questions of ministers about this very large cut. I believe she mentioned the figure of $178 million in cuts and grants to Atlantic Canada. Yet every day when these questions are asked in Question Period we get this same drivel from the government. I must say it must sound very difficult to understand to people who tune in and here that because the answer we are given is: "Well, since 1984, payments to Atlantic Canada have gone up by *x* dollars" and the ministers harp and carp about this huge increase we have had since 1984.

We know there has been a cut of $178 million. Could the member explain in simple terms, so that even I could understand, how it is that there has been this cut, yet we are told there has been this increase? What is going on. What kind of subterfuge is the government using to conceal the facts from Canadians in its answers?

[*Translation*]

Mrs. Clancy: Mr. Speaker, I thank my hon. colleague from Kingston and the Islands.

[*English*]

That is a very good question that my hon. colleague has asked. The answer is quite simple. There is a rate at which Established Programs Financing is given to the provinces that receive it. The rate accelerates each year under a certain formula. This government has decided to freeze the rate. So while there is a dollar increase, there is an over-all cut because of all of the costs increasing.

For example, I did not even get close to discussing some of the problems faced by universities relating to the GST on a lot of purchasing they have to make, particularly in the area of library books and things of this nature. The fact that the rate is frozen, and is frozen until 1994-95, means that they are not keeping ahead of the game.

A very good example with regard to universities is the question of books.

When I was a first year law student at Dalhousie University in 1971, and the hon. member for Kingston and the Islands will remember this because he was there just a year before that— Yes, we were both very young going to law school.

The member will remember that there is a torts textbook that is used by all first year law students, called *Wright and Linden*, standard in all common law schools in the country. I was fortunate, I bought my text from my aunt who actually was a classmate of the member for Kingston and the Islands. I did not buy it, she gave it to me. Families are like that.

Mr. Belsher: I did not know he was that old.

Ms. Clancy: No, he is not as old as my aunt. If she hears me say that she will be upset.

However, to get the point here, my textbook was given to me so I was very lucky. I was lucky that I had a member of my family who had been there just before me. The cost of that textbook in 1971, brand new, was somewhere in the vicinity of $20 to $22. It is an absolute. You must have it. Also, the editions change as the law changes. As we sit here and pass legislation, a lot of laws change and the jurisprudence reacting to our legislation, et cetera.

My former legislative assistant is now a first year law student at Dalhousie. He was showing me his books which cost him in excess of $750, not counting GST and *Wright and Linden*, now in paperback by the way, not hard cover, was in excess of $80.

An hon. member: Plus GST.

Ms. Clancy: Plus GST. Yes. That is what the student has to pay, but so does the university. The university must buy these books.

Stephen Leacock said years ago when writing about a Canadian university that all you needed for a university was a few people, a few chairs and a few books. Well, we have progressed passed that in the sense of the way our universities work today. Mr. Leacock was rightly talking in a sense of the philosophy of education.

We in this country know that education is more than philosophy, it is training. Even if it is only a few books, as Mr. Leacock suggested, we are taking away the money from the universities for those books.

Mr. George S. Rideout (Moncton): Mr. Speaker, I am sure that others have said the same thing, but it is not really a pleasure to rise and debate this particular issue because of the hardship that has been caused to Atlantic Canadians as a result of the government's high-handed practice in the area of transfer payments.

This is just one aspect of a continuing story of how the government is setting up an arrangement where it is going to have a patchwork Confederation. The equality which was enshrined in our Constitution is going to be lost because the government does not have either the financial desire, wherewithal or whatever reason to make sure that there is equality. It may have the wherewithal, but it does not really have the total desire to hold this country together and have the proper sharing between the rich and the poor.

In New Brunswick, we are going to lose about $110 million in transfer payments. Our province will have to find that $110 million somewhere or cut back on service as the alternative. That, quite frankly, is unacceptable because those areas that are going to be adversely affected are obviously the areas of education and health care in particular. Those two areas are the ones that should be least affected by any change in transfer payments.

When we look at this problem, it is hard not to be a little embarrassed, coming from Atlantic Canada and sounding like the poor cousin who is always asking for a handout or the dole so to speak. I find it kind of reprehensible that I have to stand up here and say that there should be equalization among provinces and that Atlantic Canadians are hard done by and therefore need more money. That is the reality of the situation.

If we are going to provide proper medicare and proper educational services, if we are going to provide the basic needs of Canadians including Atlantic Canadians, then transfer payments are necessary and this is what we are going to need.

This formula does not work because those Atlantic Canada provinces that are pulling themselves up by their bootstraps are starting to accomplish something, are finding themselves penalized by their success. New Brunswick has been doing reasonably well in these tough economic times. Through the good leadership of a Liberal government in New Brunswick, success is being achieved to a degree.

It is now going to be penalized by that success. Because it is doing so well, it is going to have a larger cut than any other Atlantic province. I believe the numbers are around $110 million for New Brunswick and about $17 million for P.E.I. and $18 million for Newfoundland, or something like that. Nova Scotia is going to get a little increase.

The province that is going to bear the brunt is quite frankly and quite candidly the province which has had the most success. That is another inequity in this situation. What you are doing is taking that success and eventually turning it into failure.

If these moneys were invested properly, which is what New Brunswick has done in the past, then we would see an improved educational system, an improved higher educational system. You would see a health care system that responds to the needs, an efficient health care system.

Instead, what we are going to have to see are cuts and more cuts. This will have the effect of taking something away from the system rather than making it work.

I would like to quote from Premier McKenna who is now talking quite justifiably about a new transfer formula because this one obviously is not working. "The formula reduces transfers to provinces whose economies are improving. When that combines with the recession hitting Canada's wealthiest province, the result is a massive reduction in payments."

"What we have seen this year should never be repeated. We are a victim of New Brunswick's economic success and Ontario's economic failure. The combined effect has given us an absolutely shocking decrease in equalization. The current system is flawed by being attached to the economy of Ontario."

"When Ontario's economy does as well as it was until the recession struck early last year, the rest of the country follows on its coat tails. When Ontario's economy falters and the have not provinces need assistance, the formula should reward them. But it doesn't. The system is also designed to help provinces whose economies are floundering, but in doing so punishes those governments who try to improve their situation". McKenna said he wants to see a new formula negotiated, possibly as a part of future constitutional talks which would encourage poorer provinces to prudently manage their money, keeping deficits low and encourage investment.

• (1530)

I think that is the nub of the point. What happens is that the provinces who have not been successful, the provinces who have not managed their finances properly, are rewarded in these circumstances and the provinces who have done a good job, who have kept an even keel, have bit bullet, so to speak and gone through the trauma of wage freezes, cutbacks and reorganizations in trying to accord a proper balance in the system and at the same time trying to encourage economic development, are penalized.

I think the premier is right when he says that we are going to have to look at this from a constitutional basis. As I read our Constitution as it presently exists there appears to be a constitutional requirement of equality. By this formula that equality is lost. All you have to do is visit any of the hospitals in Atlantic Canada, talk to the people who are managing those hospitals and realize the sheer impact of what is going on.

In my own community of Moncton, we have wards in the hospital that have to be closed, so they are not there to provide the necessary health care service. We have elective surgery being deferred for six, eight and nine

months because we do not have the resources to provide the service in the area of health care.

That is a very serious problem for our province. That is why there is a national responsibility to assist New Brunswick and to encourage it. If New Brunswick is given that type of encouragement and that financial support, one day we will be contributing to Ontario's poor economy and we will have transfers coming from New Brunswick to Ontario. That is what we are aiming to do so that we in turn, as we helped out the west during the depression in the thirties, will be able to help Ontario through its tough economic times. We can do that by making New Brunswick and Atlantic Canada strong.

This does just the opposite. This puts Atlantic Canada further behind. It is going to be less able to be a full partner in this Confederation. That is why we have an obligation in this House to see that that does not happen. That is why we need this government to recognize that the formula is wrong, that the formula does not work, it penalizes success and it rewards those who are unsuccessful, all of which in my view, and I am sure in the view of many members opposite, is simply wrong.

As we proceed through this debate and look at what is going on in our country and as we talk about a new federation or confederation, I think that this is going to have to be one aspect discussed, that we try to find a different formula, a different system. We have to do something in the area of education because that is going to be the one main vehicle that is going to allow Atlantic Canadians to be full partners in this Confederation, that is going to be the saviour in my view of all of Atlantic Canadians. It is going to allow Atlantic Canadians to stay in Atlantic Canada rather than having to emigrate to Ontario, Quebec or out west because there are not the jobs and not the fulfilment that one would expect.

I know that my time is running short, Mr. Speaker. Let me say this. It is not a proud moment to be standing here cap in hand saying we need to receive some money from those who are richer and who are better off than we are. The reality is that this is an investment, not an expenditure. It is an investment in Atlantic Canadians. In the long run, it will pay a dividend to all of Canada.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I would like to ask the hon. member opposite a question concerning the motion before us. It states:

> That this House condemn the government for reducing the level of transfer payments to the Atlantic provinces—

What action has this government taken that is doing something to Atlantic Canada that it has not done to every other province in this country?

Mr. Rideout: Mr. Speaker, I guess my first initial response would be one of saying that because harm has been done equally does not make it right. At a time when we have a government led recession and a government led poor economic circumstance, it is time when the federal government has to help those provinces that are least able to help themselves, and in this case it is Atlantic Canada.

If a formula which has worked over a number of years acceptably and things are okay with it, in trying economic times and in very difficult and unusual circumstances it does have a negative effect, then I think it is incumbent upon the government to step in to remedy that situation and to do something in order to correct the problem so that the adverse effects of a patchwork Confederation of poor education, poor health care and poor economic circumstances are eliminated.

This is going to take millions of dollars out of the economy in addition to having an adverse effect. That is what I think we have to protect against and that is what our obligation is as federal members of Parliament.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would just like to congratulate my colleague for Moncton for initiating in trying to debate this motion a fundamental Canadian value, and that is the equal treatment of provinces across our nation.

On that basis I think the member has reminded us that the government must listen. It must open its heart again to this fundamental sensitivity to the needs of those who have least.

In this instance, when we try to decrease the escalator factor that allows for the averaging of payment, that allows for a stable funding and imposes this system on all provinces equally, it ought to follow that those with the

least base for taxation will be penalized most. All experts have said that.

The other thing I would like to point out is that while there may be an absolute increase in amount, it is the rate in proportion to the needs that we must be looking into.

I would just like to conclude my comments with a comment made by a doctor speaking for the Atlantic provinces. He says: "Transferring tax points from federal to provincial will not help compensate for losing federal cuts because you cannot tax something that is not there".

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I rise this afternoon to take part in this debate which implies that the federal government is doing something to the Atlantic provinces that it does not do to anyone else, that threatens the stability of health care and education and that condemns the government for its destructive policy toward the fishery, the railway and the post office.

This afternoon we heard in Question Period questions put from the Atlantic province members concerning various government programs, that the provincial premiers and their own governments could do a better job of it administering these things.

I would like to put on the record this afternoon that the Government of Canada currently has 50 federal–provincial agreements in effect in Atlantic Canada. These agreements cover a wide range of initiatives from highways to high-tech projects.

• (1540)

With the exception of one initiative for youth forestry in Newfoundland, all these agreements are already jointly managed with the provinces and the vast majority are implemented by provincial governments.

These federal–provincial agreements have been signed under the umbrella of economic and regional development agreements with each province in 1984. These ERDAs establish joint priorities for each of the provinces and provide a process for changing priorities as economic circumstances warrant. ERDA priorities have changed since 1984, and these have been revised accordingly to reflect emerging issues.

As to ACOA funds currently being directed to the private sector through its action program, these funds are intended to promote job creation, increased earned income, entrepreneurship, innovation and technology development, and increased trade among others. Surely the provinces cannot disagree with these federal priorities.

I would like to take the next few minutes to discuss various things that are taking place within the fisheries. The Government of Canada is following a strong integrated set of policies to achieve important goals for the Canadian fisheries: first, a strong Atlantic fishing industry in a more diversified and self-reliant economy; second, a stable Pacific fishery dealing successfully with allocation issues at home and capable of competing in a strenuous international environment; third, an environment against destructive foreign overfishing; fourth, protection of the aquatic environment; fifth, an aboriginal fisheries policy recognizing the important rights of native peoples in Canada's fisheries and encouraging their participation in the management of these resources; sixth, an increased development of recreational fisheries; seventh, promotion of ocean based industries and development; and finally a review of fisheries management structures and institutional mechanisms.

We are making important progress on all of these fronts. Our challenge in Atlantic Canada is both short term and long term. Fishermen in many parts of Atlantic Canada this year faced the worst environmental conditions in memory. The Government of Canada has responded quickly and comprehensively to this crisis, beginning in May with payments totalling $18 million as compensation for severe ice conditions which delayed or prevented thousands of fishermen from pursuing their livelihood. More recently, with the inshore season largely over and the extent of catch failure assessed, this government announced further assistance of $39 million in a program of employment measures, fish processing opportunities and gear-up payments for more than 10,000 fishermen and plant workers in Newfoundland and Labrador, New Brunswick, Nova Scotia and the Quebec lower north shore.

This assistance totalling more than $57 million is targeted to help meet critical needs across the Atlantic provinces. The employment measures alone are creating more than 45,000 weeks of work, much of it contributing directly to essential work on small craft harbours, fish habitat and the maintenance of fish plants.

Catch failure is a recurring problem. Part of our long-term strategy is to find permanent structures or approaches to the income and employment problems that fishermen and plant workers in one area or another face every year.

The Minister of Fisheries and Oceans, along with the Minister of Employment and Immigration, will be consulting with the provinces, the fishing industry and unions to address these problems.

I might add that we do not have all the answers ourselves, but we look to others who are in the industry. We also look to the provinces to assist us in developing these programs.

Foreign overfishing is a serious problem. At recent meetings of the northwest Atlantic fisheries organizations we were able to make some progress against overfishing outside Canada's 200-mile limit by countries of the European community.

A new control system has been adopted called the hail system, to try to ensure vessels keep to their quotas. We continue to press for more comprehensive improvements to the international control measures outside the 200-miles. European ministers realize the situation is serious. There is a great deal of misinformation, some of it intentional, about foreign fishing inside the Canadian zone. We only allow into the zone fleets from countries that co-operate with us in conservation outside the 200-mile zone.

Those allowed into the zone to fish are only allowed to take fish that Canadians do not want to catch. If the foreigners did not catch these fish no one else would and they would go to waste.

Every foreign vessel carries a Canadian observer at the vessel's expense, and these vessels are policed rigidly to see they fish only what we allow them to fish.

These vessels provide benefits to Canadians. Their operators buy fish from Canadians. They land fish at Canadian plants providing employment for Canadians. They transfer their technology to Canadians and they also do research that we need in our waters.

A limited and controlled foreign fishery in Canadian waters is not an evil. It brings benefits that Canadians should appreciate, and many do. The government is committed to ending foreign overfishing outside the 200 miles by the present process if possible and by whatever means needed consistent with international law.

In the Pacific area important progress is being made toward international agreements to end driftnet fishing. Canada is in the forefront of international efforts to stop driftnet fishing and to promote high seas fishery conservation. Current developments include a new Canada-U.S.-Japan-U.S.S.R. convention which is expected to stop high seas salmon fishing in the north Pacific in the summer of 1992 and a new UN resolution to stop all driftnet fishing in the North Pacific this summer as well.

Mr. Speaker, you will recall when we were in Japan last week that we raised this question of driftnet fishing. You were there and heard the discussion that took place with the Japanese on this very critical problem that we face.

We are strengthening the management of fisheries in this country. Members opposite supported the government last year in amending the Fisheries Act. The changes strengthened our conservation strategy and the long-term rebuilding of stocks by providing increased penalties for illegal fishing and damage to fish habitat. We are now entering the second year of the Atlantic Fisheries Adjustment Program which is devoting $584 million to rebuilding fish stocks, adjustments for individuals and communities, and opportunities for diversification.

Through AFAP our scientific research programs have been expanded by $40 million. We are increasing our knowledge base to rebuild stocks of northern cod, northern gulf cod, Scotia groundfish and snow crab. We are implementing new conservation measures to protect young fish and expanding surveillance and enforcement. We are working with the provinces to support older plant workers and trawlermen seeking opportunities outside the fishery.

Economic diversification projects are directing significant funding to underutilized species, fisheries development, aquaculture and marketing.

Court decisions of late, notably the decision in Sparrow, are not only clarifying aboriginal fisheries rights but spelling out an important duty for the Department of Fisheries and Oceans to protect and support those rights. DFO faces a great challenge to work with native

people and others in the fishery to sustain and build fish stocks while providing for native participation. Native participation will take many forms, not the least of which is co-management of stock enhancement, fish habitat programs and opportunities in both the commercial and recreational sectors.

On the Pacific coast and in Atlantic Canada DFO is playing a vital leadership role to resolve these complex issues through consensus and co-operation with native and other interests, as well as the local governments themselves.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I listened with great interest to the speech that my colleague has just given. He has touched on one aspect of the Atlantic economy, the fisheries, which has been in a state of mismanagement and decline since this government took power.

• (1550)

I can take a great deal of exception to his comments as to whether the fisheries aid package which has been recently announced is timely, because it is not and whether it is adequate, because it is not.

Contrary to the statements that the member made, I want to make sure that the public is not intentionally or unintentionally misled into believing that all the fishermen in the Burin Peninsula in Newfoundland down to Cape Breton are jumping up and down with glee saying: "Thank you, thank you, thank you federal Tory government", because they are not.

What this government has clearly done has been too little too late. It has caused the collapse in the fishery by allowing too much foreign overfishing, and it has not provided the funds for diversification both of the fishery and of product market overseas.

That is not what I am going to speak on. I want to ask the member who has given his two cents worth on fish, although it is absolutely entirely wrong, does he believe in the principle of equalization? It is a principle that this country has been built on.

I mentioned this earlier, in our Constitution Act, 1982 is enshrined the principle of equalization. It says that one of the underpinnings of this country is that funds shall be transferred into areas to ensure that national standards and programs will be available to all, no matter where they live.

Does he not agree that in an area of less than 2.4 million people the cutbacks since 1988 in excess of $1.5 billion in regional development grants, the cutbacks of hundreds of millions of dollars in transfers through EPF for health care and the cutback of hundreds of millions of dollars in EPF to post-secondary education coupled with the recent cut of $170 million will ensure that those provinces on the Atlantic coast, the four Atlantic provinces which had a very limited tax base, do not have the flexibility to recapture through additional taxation the moneys that are lost?

Does he not believe that this is eroding the principle of equalization and the ability of those provinces to deliver services of national standards to the people who live in the Atlantic?

Mr. Belsher: The quick answer is no. The reason I say that is because I believe in equalization payments.

A formula has been developed. A formula has been enshrined in law. This year it just so happens that the total economy of Canada is down.

Mr. MacDonald (Dartmouth): Whose fault? Who caused it?

Mr. Belsher: If a government could turn on the economy by the snap of its fingers, would we not be very stupid not to? If we have so much influence over the economy, would we not be foolish on this side not to turn on the tap and make sure the economy is robust?

The way you are sounding is that we are deliberately trying to turn things down. Nothing could be further from the truth. They are talking about us singling out Atlantic Canada here. There is a deficit in this country. Have you ever once mentioned the deficit? Get your head out of the sand. We have a horrendous deficit in this country and unless we come to grips with it we are going to go down the tubes.

There is a sharing that has to take place across this country. There has not been one cut made to any program to Atlantic Canada that has not been made to every other province in the country.

Mr. MacDonald (Dartmouth): That is simply not true.

Mr. Belsher: That is true, and you know it.

I asked the member opposite to name a program, and he could not. In the equalization payments no one in Canada has been singled out and you know it. Do not go out and say that because you are speaking falsely if you say those kinds of things.

Mr. MacDonald (Dartmouth): Mr. Speaker, I rise on a point of order. In the exchange we just had I certainly hope that the member opposite is not trying to imply that I am misleading the House when I stand up here and indicate that there have been massive cuts to Atlantic Canada.

An hon. member: I would like you to clarify that.

An hon. member: You said intentionally mislead when you were talking to him.

An hon. member: Or unintentionally. Check the "blues".

The Acting Speaker (Mr. DeBlois): I ask for the collaboration of the two sides of the House. I think it is a matter of opinion.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, on a different tack with the same sort of subject—and I mean this not in a rhetorical sense but in a very serious manner—I am aware that the hon. parliamentary secretary to the minister may not be totally familiar with the intricacies of my riding which is essentially a fishing riding and with some of the emotion involved in this very difficult issue.

As a parliamentarian he has had to deal with equally difficult issues such as potential base closings in his riding. I know that he has a feeling for the kind of difficulties we are facing here. It is with that background and an acceptance that he may not have the total details that perhaps I would have because I am the member for, I believe, the largest fishing riding in this country.

I want to give him some insight into the difficulties that I see facing me every moment. I just called my constituency office and the phone is constantly ringing. This is not rhetoric; this is really the goods.

They are upset about a number of things, but I am not going to get into a long litany about the failure of the fishery or who mismanaged it. It is not irrelevant to the conversation but it misses the point here.

The point is that the government came through with a grant to help those who are in trouble, and there is no question that it was seen as a relief. If you really bare-bones this grant, however, and take away the herring subsidy and the subsidies for CIDA and all the rest of the stuff, we are looking at $25 million for 10,000 people. Actually only $9 million goes to Newfoundland but the average in Atlantic Canada works out to $2,500. That may sound like a lot of money but it does not sound like a lot of money to me.

I want to convey to the hon. parliamentary secretary that his minister did rise—and I want to use this as a statement of fact; I am not being vitriolic about it—and say when responding to a question in this House on Monday which suggested by the hon. member for Burin—St. George's that we were experiencing great difficulties in there not being enough money to go around, and I quote if I could—

The Acting Speaker (Mr. DeBlois): I hope that the hon. member will soon come to his question.

Mr. Mifflin: I quote:

> It has been suggested in the House and on the radio that there is not sufficient money. I am advising the House now that money is being transferred down. There is more than adequate money.
>
> With respect to whether a person qualifies, the rules are generous and any one who can show a reasonable connection to the fishery or to being a plant worker is going to be assisted, or my name is not John Carnell Crosbie.

My question is for the parliamentary secretary. I am aware that people are being turned off by some of the offices, the CEC offices, because they reckoned they had not had a reasonable attachment to the fisheries. The criteria seem to be—

The Acting Speaker (Mr. DeBlois): Order, please. The hon. parliamentary secretary.

Mr. Belsher: Mr. Speaker, to the hon. member opposite I would trust that in my remarks I have not sounded insensitive to the needs of the people in Atlantic Canada and the dire straits that some of them find themselves in. I grew up on the prairies and so I know what dire straits are. I was a depression baby in southern Saskatchewan and that says a lot to many people who understand those kinds of things.

The member opposite talked about it being only $9.2 million for Newfoundland. The figures I have been shown, in the job creation program alone, indicate up to $12.7 million for Newfoundland and Labrador.

There are also the herring export program, a portion of which would be collected I think by Newfoundlanders, and part of the food aid package, the $4 million that goes into that, some of which would go to Newfoundland as well.

• (1600)

When you start looking at the total program, it would be very nice if we had more money to put into it. We have to be so very careful because we do not have money. We are having to borrow money. We are staring at the $30.5 billion deficit this year. Dear knows assistance is needed. That is why we have taken the action we have. We just trust that it will meet the objectives as have been set out. We did go and we did consult with the industry, with the people who are in the industry, in order to come up with these figures.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is a pleasure to join in the debate on a very important motion that I think is correct in all its wording condemning the current government for reducing the level of transfer payments to the Atlantic provinces, thereby threatening the stability of health care and education" and further condemning "the government for its destructive policies toward the fishery, the railway and the post office". I mentioned earlier today during debate that it is unfortunate the motion did not cover areas such as forestry.

I believe we may have an amendment at the end of my comments that we hope will address these problems. It is pretty clear what is happening when you take a look at the evidence of what this government is doing, not just to Atlantic Canada but really to the rest of the country as well.

It is really treating the different regions of Canada in a very unfair way. The policies of this government are shown to have failed. It has pursued neo-conservative economic policies, the Thatcher and Reagan agenda that is being thrown out of the window by voters across Canada. We hope that will happen soon in a federal election in the next year or two when Canadians have an opportunity to judge this government on its economic policies.

What I would like to do in the time that I have is just talk briefly a bit about the question of equalization payments, the reductions that are taking place there, the fishery concerns in the Atlantic provinces, and a bit about forestry matters which unfortunately were not covered in the Liberal motion. I then would like to mention what we think are a couple of proposals that the people in Atlantic Canada would approve of. We hope they are listening to this debate today, hearing the debate and making some observations about what members in this House have to say about the concerns and the mess that this government has got us into.

The members of the government side say that there is no money, that the deficit is rising and that we have to be concerned about that. That is true. Just recently this government extended a $1 billion line of credit to Saddam Hussein. If Saddam Hussein moved to Halifax this government might then be prepared to help out the Atlantic provinces more than it is now.

All we have to look at is how many millions of dollars are going to be cut to the Atlantic provinces because of the activities of this government. According to news reports, primarily from the premiers' conference held recently, Newfoundland will be losing $20 million, Nova Scotia will lose $21 million, Prince Edward Island will lose $11 million, and New Brunswick will lose $64 million. The total—

Ms. Campbell (Vancouver Centre): Mr. Speaker, I rise on a point of order. I just wonder if I could correct an extremely serious error which the hon. member has made about the $1 billion line of credit. It is not to Iraq. It was to Iran. It is not the government of Saddam Hussein. I think that should be corrected for the record.

Mr. Gardiner: Again it points out that the government is more prepared to help countries outside Canada than it is its own regions in Canada. It is important that Canadians understand that. Those lines of credit and funds could go to help many parts of this country.

The important part is what this government has done to the economies of the Atlantic Canada regions and other parts. The premiers met the other day to try and discuss this major cutback of $116 million to the Atlantic provinces.

What do we have in the maritimes? We have a Tory premier so far. We do not know how long he will be in office, and then we have three Liberal premiers. They are really tough. They are going to meet with the federal government. I think these premiers out there are wimp-

ing out on their own provinces and on representing the interests of the people there.

It has come to the point where it is not just going to be the elected people in this House speaking out and trying to defend Atlantic Canada. It is going to be the people of the maritimes and Newfoundland and Labrador, who will be speaking out. As one member already mentioned, they are phoning the offices of members of Parliament saying how ridiculous this government's policies are and that it should be thrown out of office at the earliest opportunity.

Let us take a look at some of the resource issues, critical issues not just to the maritimes and Newfoundland and Labrador but to all parts of Canada and the management of those resources. We have had a lot of debate in this House about the concerns over the fishery in the maritimes. There has not been as much debate, unfortunately, over concerns about forestry in the maritimes.

Let us take a look at what some people have said about the fishery issue in Atlantic Canada. Perhaps it is dragging out the debate to point fingers at Liberals and Conservatives, but at some point I think it is important that people understand which governments were in office while this was happening.

As some background to just how important the fishery is to the people in Atlantic Canada, just let me quote from the Atlantic Provinces Economic Council: "The fishery is arguably the most important single industry in Atlantic Canada. Over 100,000 people are directly employed in harvesting and processing in more than 1,300 communities. Over half of these towns and villages depend solely on fishing".

It is clear that in the whole debate around management of our fisheries resource, the whole question of foreign overfishing, is an issue that has been mishandled by this government and previous governments.

Let us take a quick look at the record. In April 1989 the Prime Minister committed the federal government to putting an end to the practice of foreign overfishing, and nothing has been done.

At the November 1989 First Ministers' Conference, the Prime Minister was told that between 1986 and 1989 the European community had overfished the Grand Bank by some 600 per cent over the quota set by NAFO. Nothing was done.

In February of this year a press release from the Department of External Affairs indicated that the European community had taken five times more fish in 1990 than it was allocated. It is incredible what this country is allowing to happen to the most important resource for the maritimes. It seems that the government has washed its hands of the entire matter, thus putting into question the survival of many of the communities that depend on the fishing industry for their very survival, whether they will continue to exist.

One of the comments made in some of the reports on the fundamental problems with the infrastructure in the maritimes is that along with the high unemployment and the fewer jobs being created people are leaving the area. Nothing can be worse for an area than when the young people leave and move to major centres. More problems are created in the major urban centres that we cannot handle. We have to give reasons and opportunities for people to want to stay in the fishing and forestry communities because that is where their livelihoods are.

• (1610)

That is where we hope young people will return and stay to help develop and improve the life of people there. In our party we have said that Canada should move toward extending control over the entire Grand Bank including the nose and tail. The organization charged with protecting it, NAFO, has failed to do so. We have to provide more and more effort in this area to ensure that Canada's fishery resource is not overfished as has happened in most cases to date under this government.

As I mentioned earlier, one particular concern that is not mentioned in the motion is the issue of forestry. I have two general comments I would like to make in that regard.

To the best of my knowledge—and I stand to be corrected on this—we have yet to ensure that the forest agreement between the federal and provincial governments is signed in Nova Scotia. If some members opposite can tell me otherwise I hope they will. That is an important agreement and, if done properly, it will ensure that both levels of government co-operate in the management of our forests.

We even signed an agreement in British Columbia under the former Social Credit government. It did not come anywhere near what was needed, but with all the

difficulties that provincial government had we managed to sign an agreement. Now, for some reason, there seems to be an inability by the federal government here and the provincial government in Nova Scotia actually to sign that agreement. Maybe we are waiting for an election. I do not know. That could be the case. I guess we will have to wait until that election is called and then likely we will find out how quickly the announcement can be made.

I have had the opportunity to visit a number of the Atlantic provinces and, this past summer, to have paid a visit to a number of the forestry operations there. I found it very interesting. Of course many of the concerns and problems of the people in Nova Scotia are similar to those in my part of the country in British Columbia. It is an example of the problems in the forest industry. This government has followed a *laissez–faire* or a hands off the economy approach, unless of course one is a friend of the Conservatives. Then it is socialism all the way, but for anybody else, average Canadians, it is free enterprise: let the market do whatever it wants. Resulting from that many in the maritimes have alleged a rip–off of our fisheries and forestry resources.

What do we do when mills and what have you are run down? It takes millions of dollars of new capital to invest and rebuild. We end up with people who are thrown on the trash heap because they are not needed any more.

One of the major problems of course in the Nova Scotia area is the older mills. Some have alleged that the high dollar pursued by this government is a hidden part of the free trade agreement with the United States. That is certainly hurting the Nova Scotia area and economy. A great deal of work remains to be done in terms of the rehabilitation of forests. I am again mentioning Nova Scotia in particular. Working closely with the woodlot owners is a positive way that small entrepreneurs, people in the agricultural field and others, can actually get hands on experience managing our forests properly, providing fibre supply to mills and what have you. But the effort is not going to go anywhere if the government in Nova Scotia and the government here in Ottawa have yet to be able to sign that forest agreement. It is one of the vehicles by which we can ensure that proper management. We can do a lot of other things in our forests, good things, that cannot be done if that agreement is not signed.

During the earlier debate members mentioned ACOA as one of the proposals that this government has put together. We have a western diversification office in western Canada and ACOA in Nova Scotia. The figure was mentioned by my colleague about the success that ACOA was having. We know that the track record could be better. We understand that some 70 per cent of the projects funded by ACOA have gone under. It is part of the business. Some businesses just do not make it and that is the way it goes, you make a judgment call. But 70 per cent going under is a little high and we would certainly hope, with ACOA continuing, that the record can be improved. I also hope we take a look at one of the criticisms I heard of ACOA when I was in the area which is that it seemed to be reluctant to encourage local development and local ideas. It seemed to be more excited about ideas coming in from elsewhere. It tried to open a warehouse, got things going and in six months or a year it fell apart. Nobody was opposed to ACOA *per se*, but the emphasis could be shifted somewhat to make it a more successful operation.

We should try to ensure that when the federal government attempts to do some work in a community there is a co–ordinated approach. I suspect, in many areas, that is just not the case.

Our caucus met just yesterday with representatives from the Sault and from Wawa about the work that they are doing. They are trying to pull together what sometimes seems like an incredible list of different agencies and particular federal agencies and actually try to deliver a service. That takes a major effort.

A couple of proposals that we have had are worth looking at. We think there is room for the federal government to move in this area. This government has some problems with the approach it is taking, but I do not think it should write some of these ideas off. I think they are good, positive ideas.

Two of our proposals are a community development fund and a single industry community fund. Under these proposals, funds would be provided to co–operative and community development corporations and other community–based initiatives. In the case of single industry towns, funding would also be made to assist those communities to explore diversification options.

A number of other comments were made. One of them is about public sector pension funds and where they are invested. So there are a number of experiments that have taken place in the country that obviously we can all learn from. But it is unfortunate that this government has really had some difficulty in trying to understand some proposals and projects.

In summary, this motion is an important one. It is important to get a message to this government about the concerns from Atlantic Canada. The few times that I have visited the area I have found the people to be absolutely wonderful. They are always more than pleased to discuss their concerns with people in responsible positions about the economy and what can be done. But a government that is aloof and not prepared to deal with things directly will never be of benefit to the maritimes.

We need some initiatives and opportunities from this government so that it does not just throw the maritimes on the trash heap like it is wont to do.

In conclusion, I would like to move an amendment. I have it right here for you to send up. I move:

> That the motion be amended by deleting all the words following the word fishery and adding the following thereto:
>
> passenger and freight railway, forestry, shipbuilding and the post office and, further, that the premiers of the Atlantic provinces be condemned for their failure to fight Ottawa on behalf of their provinces.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair will take the amendment motion presented by the hon. member under advisement.

Questions and comments? Resuming debate, the hon. member for Bonavista—Trinity—Conception.

• (1620)

[*English*]

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I want to congratulate my colleagues who have spoken so eloquently and so forthrightly on this very, very difficult and disturbing subject.

There are any number of subjects that I wish I would be speaking on this evening. Since I am speaking on this I want to try to remove the rhetoric from my presentation. It sometimes does creep in, particularly when emotion is involved. I want to stick to the facts and I want to try to create a perception in the nine minutes or so that are left of those people who I represent and how they have responded to this motion.

This motion talks about the cut in the transfer payments to the Atlantic provinces. It threatens the stability of health care and education and creates destructive policy with regard to the fishery, railway and post office.

Since the debate began this morning I have been talking to my constituency office and to some constituents. They have great difficulty understanding how we on this side of the House can get up and say that the government has reduced payments and the hon. Minister of Finance this morning talked about increasing them.

If I could clarify that. I want to take one example. Indeed they have increased but not to the extent promised. If I could use some figures that were quoted for Newfoundland, the Minister of Finance said this morning that in 1984–85 the per capita transfer payments amounted to $1,617 per person. He went on in the same breath to say that seven years later, in 1991–92 it was $2,473. Well on the surface that sounds very good. It is over 50 per cent and I am still getting the figures. But I did a calculation based on some pamphlets that I read and to stay abreast of inflation alone in those seven years, you needed over $2,500. So the $2,473 did not keep those people who were relying on transfer payments abreast of inflation. In that interval of seven years they experienced 22 tax increases, plus a goods and services tax. So I would suggest that that $2,473 buying power is not $1,617 as it was seven years ago, but more like $1,300 or $1,400.

I am sure the minister did not do this deliberately, but when you hear it in a phrase you can draw some pretty poor conclusions from it and I want to make that clear.

The second point I want to make clear is that there was a formula for the Established Programs Financing, which was one of 14 ways of transferring money to the provinces. The EPF, which is the provinces' assistance in financing health services, extended health care and post-secondary education was calculated by an authority, the National Council on Welfare which was quoted by

my colleague from Gander—Grand Falls. It worked on changing the formula, which started in 1986. It started going with the economy. Then it was the economy minus two per cent. Then it was the economy minus three per cent and that was extended for two years, then for another five years and another three years beyond that.

The difference in those payments for which health and education rely on is $100 million in one year. The total from 1986 to 2000 is $100 billion for all of Canada. That is $100 billion less than it would have been if the formula had not been changed by the government.

That certainly clarifies the issue for me. Very simply, yes, they have increased the EPF but they have not kept up with inflation. It is a lot less than the provinces had expected.

In the case of Newfoundland, the minister said himself that the transfer payments make up 45.5 per cent of the total budget of Newfoundland. It used to be almost 49 per cent. It has gone down by many, many billions of dollars.

I want to talk also a little bit about the post office. A few years ago it was the plan of Canada Post to amalgamate, remove, change and replace 5,221 post offices that employ 10,000 people. In rural post offices 83 per cent of the employees are women.

We have in Newfoundland about 180 rural post offices, and they are being closed left, right and centre. If that was not bad enough, as again pointed out by my colleague, the head of Canada Post is getting a bonus of $100,000.

If you can tell me why that does not upset the people in my riding who see this from afar, by golly, Mr. Speaker, you would be a very understanding person. Let me tell you something else. I would like to create an image.

You are there in Newfoundland, and you are watching this happen. You are from the district of Port au Bras where a lot of fishing takes place, good professional fishermen as indeed in all the ridings.

They are watching foreigners take fish from a NAFO area that everybody in Newfoundland deserves: 3 November Oscar, 3NO. I have not got a track, but the northern edge of that NAFO area is 45 miles off the coast of Newfoundland. That is 45 miles. On a clear day, you can see the foreigners fishing from the capes on the Avalon Peninsula. They are fishing within our area. They are taking our fish and our fishermen are not allowed to go out and fish there.

They decide: "Well, we are going to try it on for size anyway. We are so frustrated'. So, they go out and fish and the government sends the navy to go out and arrest our vessels when we know that foreigners are overfishing.

I am not simplifying that. Newfoundlanders are watching that and the government is asking: Why am I getting emotional? Why am I using language that is unbecoming to me?

All you have to do is be in my riding for 10 minutes. You would do an awful lot of things that are not becoming to you or anybody else of reasonable measure. With regard to railway, a few years ago the government said: "We got a deal for you. We are going to give you $800 million over 15 years".

The railway in Newfoundland was losing $50 million a year and in 15 years, that was $750 million. They said: "We are going to give you $800 million and we are going to give you some roads". On September 1, 1988, we lost the railroads. We did not get any roads, and the provincial government made $50 million on the deal. That is not a good deal at all.

What have I covered: rails, fishing, post office and the clarification of the transfer payments. There is one other area that has become a by–word with Atlantic Canadians, certainly Newfoundlanders. It does not matter what the Minister of Fisheries says, it does not matter what his parliamentary secretary says, it does not matter what the Prime Minister says. The fact of the matter is that in our opinion, we are the only country in the world that gives away the very resources upon which that part of Canada depends to foreigners, legally.

We give it to them legally and we know they are taking almost as much as we are allowing Newfoundlanders and Atlantic Canadians to catch illegally, but we send our destroyers out to arrest Canadian fishing vessels and bring them home. We do not get tangled up with foreigners, because the last time that happened I think we had some difficulties catching them when they went back to New Bedford.

I am not blaming that on the navy. What I am saying is that if you have something you want to enforce, why do you not target the foreigners, the ones we should be targeting. If you cannot do it with ships, try something else. I do not know, I am not the government. It should have the answers to that.

There is one other area while I am on the business of fishing and overfishing. I talked earlier about the Atlantic Catch Failure program. I really take objection to the Minister of Fisheries and Oceans—my colleagues do as well—trying to create the impression that there is more than adequate money there and that the program is generous.

The phones in my riding have not stopped ringing for the last week. I can tell you there are 400 or 500 people in my riding alone who cannot qualify because there is not enough money.

In conclusion—I am going to wrap up—I do not often become emotional. I do not often use language or rhetoric in this House, but I am telling you that we have been moved in Atlantic Canada. We understand the difficulty the government has with the deficit. It seems that every time it moves its hand to initiate a policy, we get the dirty end of the stick. That is the perception.

If you relive the last 10 minutes that I have described to you, it would be difficult to have a perception other than that. So, I enjoin my colleagues from the other side of the House to have some feeling for the difficulty we are in, to show compassion and perhaps some imagination and creative thinking in trying to rectify this demoralizing and devastating situation of which we are speaking.

• (1630)

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I certainly welcome the opportunity to take part in this debate today on a very important motion, one that was put forward by my party and one that concerns Atlantic Canada.

This motion condemns the government for reducing the level of transfer payments to Atlantic Canada because it will threaten the stability of health care and education and it also further condemns the government for its destructive policies toward the fishery, the railway and the post office.

My riding is Malpeque, Prince Edward Island. I want to say that in a small province like mine, reducing the level of transfer payments, as this government has done, has had a very devastating effect upon the whole economy. It is important that the federal government realize what a difficult position it has put my province in because of the reduction of transfer payments and the other economic policies which this government has inflicted on Atlantic Canada.

I am not here this afternoon to condemn in whole the equalization formula and I am not advocating in any way that it be scrapped. But when you are dealing with a small province like Prince Edward Island, I think it is important that the federal government realize the difficult position that a small province like Prince Edward Island finds itself in because of the reduction of transfer payments.

We are talking about my province that operates with a total budget of a little over $700 million. We are talking about a province where the per capita income is 34 per cent below the average. This province that has undergone an estimated economic loss of $40 million to $50 million due to problems experienced by our potato industry as a result of this government's mishandling of the PVY-N potato crisis.

That is for the first year alone. It is anyone's guess what we will be losing this year.

We are also talking about a province that has lost nearly $100 million due to changes in federal payments made by this government since 1988. To take that $100 million and break it down, it means that $45 million of that has been in equalization payments and $54 has been in established program funding changes, changes to the EPF. As we know, that is the money that is given to the provinces to go to health and post-secondary education.

Just as important, we are talking about a region of the country that is faced with very high unemployment. The unemployment rate in my province is approximately 17 per cent. We have businesses in the country that are going under in record numbers. The bankruptcy rate in eastern Canada increased 14 per cent this past August.

Many of the problems I have mentioned are simply a result of the federal government's economic policy that has advocated high interest rates and a high dollar over the creation of jobs.

This week my province learned that expected revenues from the equalization payments would be reduced by another $17 million. The point that I want to make is not so much that Prince Edward Island will need to find an additional $17 million in an already tight budget. I can assure you, Mr. Speaker, that it will be very difficult. The point that I want to make here is that my province, along with other regions of our country, has been placed in a

desperate situation by policies and past budgets of this government.

The latest shortfall of $17 million as I say will be hard to find in an already tight budget in Prince Edward Island. When you compare that with the $100 million that my province has lost by changes that this government has made to the established program funding and equalization payments since 1988, it may not seem that large. Given the current economic condition in my province, I could tell you that it will have a significant impact.

My province like many others is struggling to maintain its health care system. I know that many of my constituents have spoken to me about their concerns regarding the health care system, what this government is doing and about what this would mean down the road.

The minister of health and social services on Prince Edward Island has expressed his concern many times. I want to quote the Hon. Wayne Cheverie: "The reduction in the rate of increase and transfer payments is an attack on the basic foundation of our health care system. They represent drastic reductions of federal contributions that will have major consequences for the system of health care as we know it on Prince Edward Island".

That was the Minister of Health and Social Services. He along with all Islanders are really concerned about what the cuts in the transfer payments are going to mean to a small province like Prince Edward Island. Really we are seeing an example of these cuts already. We have already seen some hospital beds close and cuts to other services.

I know that my time is limited. I want to pass on to another area where these transfer payments are affecting and that certainly is education. This past fall the post-secondary students certainly felt the brunt of the cuts to the established programs funding as they were forced to pay higher tuition fees.

The president of the University of Prince Edward Island has expressed his concern about the dwindling government funding and he has indicated that this was the reason for the increase. He said: "Because of budget restraints and reductions in federal payments, the province increased UPEI's funding by only 4.1 per cent. The only thing we could do was raise tuitions".

That is a quote from Dr. Elliot who is the president of the University of Prince Edward Island and that is exactly what happened. They raised tuition fees by 15 per cent. Really what that means to each student is approximately $280 more for a 10-course term.

Mr. Speaker, you have indicated to me that my time is running out. I just want to make some closing remarks by calling on the government to recognize the damage that its policies has caused Atlantic Canadians, to recognize the devastating effect that they are having on the whole economy in the eastern part of Canada and also to ask the federal government to put forward its commitment that the level of transfer payments will not be further eroded by destructive policies like this government has advocated in the past.

• (1640)

The Acting Speaker (Mr. DeBlois): Before resuming debate I would like to return to the proposed amendment of the hon. member for Prince George—Bulkley Valley. Unfortunately it raises a new question that can only be considered as a distinct motion after proper notice as set out in Beauchesne's 6th edition, citation 579(2). Therefore, I regret to inform the hon. member that his amendment is out of order.

Resuming debate. The hon. member for Egmont. I apologize. I do not see the hon. member for South Shore.

[*Translation*]

The hon. member for Egmont is agreeable to the Chair recognizing the hon. member for South Shore.

[*English*]

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, at the beginning I would like to thank you for the obvious compliment you showed me. Obviously my diet is having an effect and I am wasting away to nothing.

I know the House waits with great interest for the remarks of my hon. friend from Egmont but with your indulgence I might make a brief intervention into the discussion here today. Needless to say I read with great interest the motion of my hon. friend from Gander—Grand Falls who I know has a great and longstanding

interest in Atlantic Canada issues. His omnibus motion seems to suggest that the government has done less than well by Atlantic Canada.

I do not know if that is the point he is trying to get across or not but obviously he has been missing a few things with respect to what has been going on in Atlantic Canada. I would like to share with him some of the perspectives and views that I might have on this.

I noticed that he begins by talking about transfer payments. I listened with interest to my hon. friend opposite with respect to transfer payments and higher education funding as it affected Prince Edward Island. I find it amazing that every time I come into this place and hear my hon. friends opposite, be they from the Liberal Party or the New Democratic Party, they always talk about ways that governments can spend money. They are a little less good at telling us what taxes should be raised or whether we should increase the deficit.

We know that our friends in the Liberal Party are real experts at increasing deficits because when they left power in 1984 they left a deficit of $38 billion and a national debt of $200 billion. These have compounded to being a $400 billion debt today. They left us a $16 billion operating deficit that this government, through wise and sound management, has transformed into a $12 billion operating surplus. Now that is performance.

When we talk about reducing the level of transfer payments in the Atlantic provinces what we are really talking about is government spending. My hon. friends opposite are all in favour of government spending, though they seem to ignore the fact that the only thing you spend is taxpayers' dollars. I want to tell him something, and it is that the message I am getting from many of the Atlantic Canadians that I know, including the 77,000 I have the privilege to represent here is that they do not want higher taxes. They have had enough of taxes. I have heard my hon. friends opposite complain about taxes. They have complained about tax reform which is one of the wise measures this government has introduced to try to have a more equitable and fair tax system and a tax system that is going to facilitate economic growth and development in this country.

It is only through taxation that we accrue the revenues that pay for all the wonderful things that my hon. friends opposite think we should have, including transfer payments, including for example the $800 million that is paid to the fishing industry in Atlantic Canada through unemployment insurance. I hear some of my friends from Atlantic Canada complain that this government is taking a great deal of interest in supporting our farmers in western Canada. We had an announcement a couple of weeks ago of $800 million of aid to western agriculture in a time of crisis. We forget that every year we put $800 million into our Atlantic fishery in support, not to mention the other financial supports that are provided to our fishery in Atlantic Canada.

As my hon. friend from Gander—Grand Falls knows, and I am sure he applauded the government and indeed this Minister of Fisheries of Oceans, when not two weeks ago he brought down a $39 million aid package in support of the Newfoundland fishing industry which has faced the most severe crisis in its history with the ice problem this year. But the government responded. This government is not afraid to spend money when it is necessary to assist and support Canadians, but this government believes in fiscal responsibility and, furthermore, it believes that those other levels of government that spend the public's money have a responsibility to be fiscally responsible as well.

So when this government brings in measures that cap transfer payments, though there is no cap on equalization which is so important to Atlantic Canada, there is no cap on the Canada Assistance Plan which is so important to Atlantic Canada and, of course, this government introduced the Atlantic Canada Opportunities Agency with a budget in excess of $1 billion to support economic development in Atlantic Canada, all those measures were introduced because they were necessary and supportive of Atlantic Canada.

Earlier today I heard my hon. friend from Halifax asking a question in the House about what this government was going to do to help Halifax. I thought it was a very commendable decision that this government made, not to mention a very appropriate and proper decision that this government made, in placing the minesweeper

contract in the port of Halifax. It will mean $200 million of expenditure for Nova Scotia and for Halifax.

The government is prepared to spend money, but this government spends money frugally and wisely as it should, because every cent that is spent by government has to be accounted for because it comes from the taxpayers. I would urge my hon. friends opposite never to forget that.

My hon. friend from Gander—Grand Falls has recently been asking an awful lot of questions about expenditures by this government with respect to salaries of senior public servants and the heads of Crown corporations. I have got to tell him that he gets an awful lot of sympathy from this side of the House for some of those decisions. The one criticism that could perhaps be levelled at this government is that the system that it inherited from its predecessors which took back the two or three top levels of increments and made a bonus system. Unfortunately, it seems to have become a bonus system that is automatically paid, so my hon. friends opposite have been having a wonderful time looking at the fruits of the seeds that they planted when they set up that system so many years ago. I am sure my hon. friend from Gander—Grand Falls remembers it because he was a supporter of the government of the day that introduced that particular system.

When we talk about economic problems in Atlantic Canada, I think the first thing we have to recognize is that a good climate for economic growth is probably the thing that is going to help industry develop in Atlantic Canada better than anything else.

I look at my own constituency of South Shore, and I do not take anything away from any other part of Canada, but I must say there probably is no more beautiful place than the South Shore in Nova Scotia and there certainly no nicer place to live, to work and to make one's home. I look at one of the great accomplishments of this government with the free trade agreement which did not create that much change in tariff structures, but it guaranteed access to markets. I look at the constituency that I represent here and I look at the benefits that are accruing to my constituents because of that significant and important agreement.

Take, for example, the Michelin tire plant in the town of Bridgewater which employs 1,500 people. Seventy per cent of the produce of that plant goes to the United States, 10 per cent goes to Japan and 20 per cent is sold to the rest of the market in Canada. Guaranteed access to the U.S. market is critically important to Michelin Tire.

I could mention the Christmas tree industry. My goodness, Mr. Speaker, though you would not know it on a warm day like today in Ottawa, but Christmas is approaching. If I may, I might just digress for a moment to remind all members of the House that as they look forward to celebrating Christmas this year they should think in terms of having a real Christmas tree, none of these phony artificial Christmas trees. I hope that you will take it up with the high officials in this place and the fire marshall to see that we enjoy the benefits of real Christmas trees right here in the House of Commons this year.

• (1650)

I want to tell you, Mr. Speaker, and remind the House that on the south shore of Nova Scotia we export 1.25 million Christmas trees a year. Fifty per cent of the Christmas trees exported from this country are exported from the south shore of Nova Scotia. As you know, Lunenburg county is the Christmas tree capital of Canada. That is a $30 million business from the south shore of Nova Scotia, a business that is secured and guaranteed because of the Canada–U.S. free trade agreement.

Furthermore the duties have come down on Christmas tree rates. As a result we have seen a significant increase in the export of Christmas tree wreaths, so that the access we are guaranteed through the FTA to our Nova Scotia Christmas trees is another benefit of the FTA.

I could go on and talk about the pulp and paper industry. I could talk about the Bowater–Mersey Paper plant which, like all paper plants in the world right now are going through tough times. We could be in even tougher times if we did not know for sure that the 80 per cent of the paper that is produced in that mill has a guaranteed access into the United States market where the market is for that paper. The 800 people who work for Bowater–Mersey I am sure are very pleased that their future is secure in large measure because of the access provided in that agreement.

Or, of course, I could talk about our fishery. I could talk about the 8,500 people on the south shore who make their livelihood through the fishing industry either as harvesters or processors in one way or another and the fact that two-thirds of the fish that we produce go to the United States.

I guess what I am saying is that my hon. friends opposite said this was a heinous, terrible and villainous thing. On the other hand, it sure has guaranteed the future of the people on the south shore of Nova Scotia.

Now that is not to say that we have not been through difficult times. That is not to say that the downturn in the fishery, which has been caused by overfishing by Canadians and foreigners and by various other circumstances, has not hurt, has not meant plant closures. And I have to tell you, Mr. Speaker, and I know some of my hon. colleagues opposite have faced this, as have some of my colleagues on this side, there is nothing more difficult and challenging than to go to a one plant town the day they announce the plant is closing.

You know, I was in Lockeport two and a half years ago when they announced the closure of the National Sea Products plant. For two and a half years, under the leadership of an industrial adjustment service committee established under a program set up by the then minister of employment and immigration, the Canadian Jobs Strategy program, set that committee to work under the outstanding leadership of Mayor Mary Rose of Lockeport, working with provincial people and myself as a member. We have all worked together and we are going to continue to work until that plant reopens, which we hope is going to happen very soon.

It is the fact that the Government of Canada is open to responding to those kinds of problems that makes you hang in there and keep fighting.

I know my hon. friends from Newfoundland, I am sure, rejoiced this summer at the work that was done by the Minister of Fisheries and Oceans when he put together deals and packages that reopened three major fish plants in Newfoundland. There was no partisan politics involved in that, because those fish plants were not all in ridings represented by government members. That is not the important thing. The important thing and the priority of this government is to look after the people. In this case we are talking about the people in communities in Atlantic Canada, the same people that the Minister of Fisheries and Oceans was concerned about when he brought in his ice aid package a couple of weeks ago. He is very sensitive to the needs of people in communities and that sort of thing.

My hon. friend's motion makes reference to the fishery. I might say we have had some very responsible leadership during difficult times in terms of trying to bring fisheries policy and the administration in the direction of the fishery and the fishery resource under control so that the maximum number of people can make a reasonable living in the fishery.

One of the harsh realities this government has faced is having to deal with a difficult financial situation. It could have run away from it and kept running the bills up as its predecessor did, but no, that is not its policy. It has tried to take control of the situation and bring it under control so that the country can grow, as it is starting to do again.

I see the IMF has predicted significant growth in the Canadian economy beyond the growth that is expected in the other G-7 countries. The government has done the same thing with respect to the fishery and bringing the fishery under control. They have increased enforcement measures, which has cut down significantly on cheating and other kinds of overfishing by our own fishermen.

They brought a helicopter into southwestern Nova Scotia. There was some concern expressed. I have to tell you, Mr. Speaker, I received a letter from the mayor of Yarmouth, Nova Scotia not so very long ago, and from the Chamber of Commerce in Yarmouth as well expressing concern that when the helicopter contract was up this March, it would not be renewed.

That helicopter has done a fantastic job of fisheries surveillance and it has done a wonderful job of air and sea rescue as well. It is a priority with everybody in southern Nova Scotia to see that contract renewed and see that helicopter remain there. It is an expensive thing, and the money has to be found.

Where there is a priority and people's needs and interests are in the forefront, this government responds. That is why I am confident that the Minister of Fisheries and Oceans and the Minister of Transport will work together and find the means whereby that helicopter will continue its stay in Yarmouth serving the people of that

area and in particular the fishermen who risk their lives every day going to sea.

We have heard a lot of talk from my hon. friend. He talks about the fishery, condemning the government for destructive policies. I notice he is frequently up in this Chamber talking about foreign vessels fishing in Canadian waters. I know, knowing my hon. friend as well as I do, it is certainly not his intention in any way to mislead anybody with respect to the issues that he raises.

I think it is very important that every single member of this House, and indeed Canadians, in particular Atlantic Canadians, understand where foreign vessels fish in the Atlantic fishery.

In 1973, the nations of the world that had an interest in the fishery and in the oceans of the world got together at the International Law of the Sea Conference and agreed that it was appropriate that coastal nations be allowed to declare a 200 mile economic fisheries control zone off their coasts.

Canada was one of the signatories to that agreement, but it was a voluntary agreement. The primary intent of that agreement was that it would give control of resources and particular fisheries resources to the adjacent state out beyond the continental shelf.

Except for three places in the world, 200 miles covers the limit out beyond the continental shelf. To our advantage or disadvantage, however you wish to describe it, the Grand Banks of Newfoundland are not one of those areas.

As I am sure you know, Mr. Speaker, because I know you have a great interest in the fishery, we have the nose and tail of the Grand Bank and the Flemish Cap sticking out beyond, and those areas are beyond Canada's international control. We have no right to tell anybody what to do in international waters.

Under that International Law of the Sea agreement, we are required to make available to other nations fisheries resources that we do not wish to harvest for ourselves in Canada. When we allow vessels from foreign countries to come inside our waters, we allow them to come in as we are required to do under the International Law of the Sea to harvest those resources that we have not been using.

Anybody who knows anything about fishing knows that when you put a hook or trawl line in the water, you are never 100 per cent sure what is going to come up and knows you have to have a by-catch.

I know my hon. friend from Gander—Grand Falls from time to time has had a great time talking about codfish allocations to these foreign nations when what he is really talking about are by-catches.

With a by-catch, one of the conditions that you can bring in, which is what this government did two years ago, is the condition that that by-catch has to be sold back for processing in Canadian plants so that in fact those fish do not go away from the plants where they could potentially create jobs for Canadians.

Similarly, I know my hon. friend talks about allocations of fish to the French, but something he never raises is the fact that before this government had the courage and the integrity to sit down and try to settle the 200 year old dispute with the French over the waters around St. Pierre and Miquelon that we had no idea how many fish they were taking.

The results of that now are that in fact there is less fish being taken now than there was before, but it is under control. As I am sure all members of the House are aware, we are awaiting the decision of the arbitration tribunal that will determine exactly where the lines are. We were fortunate enough to be able to use against the French the arguments that they themselves had used against the Channel Islands not so many years ago. It will be interesting to see. The important thing is that this government did not run away from the problem as its predecessor had done for years. It tackled the problem in the interests of Atlantic Canadians and in the interests of the Atlantic Canadian fishing industry.

• (1700)

One of the toughest problems we have yet to take on—and I know my friend from Gander—Grand Falls will be commenting on this—is taking on the challenge that we have too many people in his Province of Newfoundland—Labrador trying to make a living on too limited a resource in the fishery.

What do we do about that? I will be looking forward to hearing what he has to say about what his party proposes in solving that problem since he is suggesting that this government is not tackling those problems in a manner

that will have have long-term benefits for Atlantic Canada.

Do I sense, Mr. Speaker, that my time is winding down on me? I have many more comments I would like to make. Did I see you giving me the sign, or can I continue.

The Acting Speaker (Mr. DeBlois): You may continue.

Mr. McCreath: I will absolutely continue because I certainly welcome the opportunity. There are many more things I would like to say in regard to the topics my friend raised.

There are just a couple of more things I would like to say about the fishery. I mentioned the new measures with respect to enforcement, including the helicopter. I might mention that the Minister of Fisheries has recently spoken about a couple of other ideas that will bring decision-making in the fishery closer to the individuals in the industry. That is to say issues with respect to licensing and with quota allocations. Nothing would be better than to turn those things over to the industry so that the people who have to live with the decisions have a greater impact, if not a decisive impact in making those decisions.

I see that you are giving me the sign, so with that I will conclude at this point. I appreciate the opportunity to participate. I would be pleased to respond to my hon. friends opposite.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the hon. member just said a moment ago that there were too many fishermen in Newfoundland chasing too few fish.

The federal government announced two days ago that seven Japanese vessels would receive licences this year to catch tuna inside our 200 mile zone off his riding on the Scotia shelf. Does he not agree that foreign nations were given quotas this year inside Canada's 200 mile zone, in a meeting that took place in the hon. member's province? Under international agreement quotas were given for fish inside our 200 mile zone around Newfoundland, around Nova Scotia, to Bulgaria, Cuba, Denmark, including the Faro Islands and Greenland, to every country in the European Economic Community, to Japan, Norway, Poland, the U.S.S.R. and to another category called "others".

The only group there not allowed to come inside the 200 mile zone is the EEC. Does the hon. member not agree that before we start saying that there are too many Canadians chasing too few fish that first of all we should get rid of every single foreign fishing vessel in Canadian waters. Does he not agree that any Canadian, whether they are a full-time fishermen or if they are on welfare, has a right to go out there and fish before a foreign nation is given a licence by the Halifax office of the department?

I have seen him in action over in the Hague talking about foreign overfishing. I have seen him speak for three, four and five hours to those foreign nations, complaining about their fishing. He cannot deny it. Doesn't he agree that before one foreign nation is given a licence on our coast that every single Canadian has a right to that licence before it is given to a foreigner?

Mr. McCreath: Mr. Speaker, I am delighted to respond to those issues of my hon. friend because he has really just illustrated the point that I made in my general remarks, as I was confident he would.

First of all, I appreciate his raising the subject of our efforts on the other side of the ocean to persuade the Europeans to discontinue their destructive anti-environmental dangerous fishing effort outside Canada's 200 mile zone on the nose and tail of the Grand Bank. He knows perfectly well that one of the most destructive forces impacting negatively on northern Newfoundland is the destructive fishing that is going on by Spanish and Portuguese on the 2-J3KL cod stock outside, and on the flatfish stocks on the tail of the Grand Bank, primarily by Portuguese vessels. He knows that.

I am not sure whether he said I spoke eloquently, he said I spoke at length, but I must tell you that he and I were a great team over there, and contrary to what I have read in the press lately which suggested that he and I and others had other activities on our minds when we were over there—nonsensical stuff, by yellow-backed journalists—we were over there fighting for our fishermen as we should be. I agree 100 per cent with my hon. friend that not a single fish should be taken from within our waters by foreigners so long as we can get Canadians to go out there and fish it.

Now, when my hon. friend talks about allocations to foreign vessels to fish within our waters, you notice, my friends, that he neglected to mention what the quota allocations were that those vessels were getting. Did you

notice? I didn't notice his reference to that. Were they cod allocations, were they pollack allocations, were they haddock allocations? I don't recall his making any reference to that. My understanding of those allocations was that those allocations were from under-utilized stocks that we are not harvesting, things like silver hake and capelin.

I want to remind my hon. friend of the leadership that this government took, because this government has had a long-standing policy that we do not provide fisheries allocations to be bartered to foreigners. The previous Minister of Fisheries, now Minister of Employment and Immigration, in my judgment did a very courageous thing and he has been criticized roundly for it. He has been criticized in my constituency. I have had grief from plant owners and operators in my area over the allocations that that former Minister of Fisheries made in order to put the towns of Canso and Burgeo back into business again by making allocations of unused silver hake and capelin quotas so that they could be bartered for codfish from the Russians, which has put 500 people back to work in the town of Canso. That is decisive action by this government.

I might tell you, Mr. Speaker, that I am looking forward to this government doing the same thing for the community of Port Mouton. I have put a proposal before the Minister of Fisheries that would give us long-term allocations so that we can harvest those resources.

I will just finish on this point, Mr. Speaker, by saying that nobody is licensed to catch fish that Canadians are going to or are prepared to go and fish, nor should they be.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, at the beginning of the member's remarks he asked the rhetorical question: What taxes should be raised, as if taxes were always an outflow from the pockets of Canadians and were always a drain on them.

I would like to give the member an example of how using taxpayers' dollars, both in terms of loan guarantees as well as loans themselves and grants in the range of $5 million to a community, regrettably for the example not in Atlantic Canada, but in my riding, where that money ensured that the revenues of the province of Ontario, at $10 million a year, were maintained, and that revenues for the federal government in the first year would be $16.5 million retained and $8.2 million thereafter, taxpayers' money.

• (1710)

I agree with him that it is taxpayers' money, not the government's money, although sometimes I think the government forgets that, which can be used to lever ongoing revenue to the federal and provincial treasuries. Should it not therefore be looked upon as an investment in the future of a community, a province or the country? I want to put it in the context of shipbuilding, particularly trawlers and what have you where we know that right now no trawlers are being built. It will take two or three years before from seven to nine a year are going to be built, but they cannot afford to have them built in Canada because of the high costs.

Would the hon. member not agree that we need to return to some form of level playing field internationally which means in the short term that we have got to match the kind of financial assistance offered to shipyards and to purchases of ships so that they can build them here at home instead of the reality today of almost 100 per cent of all shipyard work is government contracts?

Mr. McCreath: Mr. Speaker, my hon. friend raises several very interesting points that I would like to comment on but obviously in one minute I cannot. I will briefly say this.

I agree with him 100 per cent on the use of loan guarantees. Canadians are fed up with free money being given to companies. Let us not forget that a loan guarantee still does tie up government funding that cannot be used for other things. Briefly, I agree with him totally on the use of loan guarantees and we need more of it.

On the shipbuilding industry, I think the secret to having a level playing field is for our shipbuilding companies to learn to be competitive. If we have too many shipbuilding companies, that is tough. We are faced with a fact that globally there are not a lot of ships being built. It is not just in Canada. Globally there are not a lot of ships being built, be they large fishing vessels which I think is what he is referring to, or other kinds of large ships. The question is: How can the Canadian government and how can the Canadian economy best

cope with the inevitable downsizing in the shipbuilding industry that is going to take place?

I think where we can become competitive over the next few years is not so much in new shipbuilding, but in attracting, as the Shelburne shipyard has done recently, Russian shipping vessels or foreign vessels for repair and maintenance work.

I look forward to pursuing the subject with my hon. friend.

Mr. Joe McGuire (Egmont): Mr. Speaker, as has been stated before by many of my colleagues on this side of the House, we take no pleasure in speaking today in this debate. It seems that since 1988 we have had precious little economically or socially or constitutionally to brag about or be very positive about in this House of Commons.

I would just likely briefly refer to the previous speaker from South Shore. The reason we are having this debate today is because of the decrease in equalization payments to the Atlantic provinces. It is peculiar that the only Atlantic province that is receiving an increase in equalization payments this year is Nova Scotia, which means that basically Nova Scotia's economy has performed the worst over the past year.

If you listen to the member from South Shore you would think that because of the free trade agreement and everything else the economy in Nova Scotia was just booming. You would not really think he came from the same region as many of the previous speakers have come from and that is the Atlantic area. The figures show that he is definitely misleading or definitely giving the people of his province and the people of this House the wrong impression, that the economies of his riding and his province are doing well. Basically, the only reason his province is getting $1 million extra is because it has performed the worst of any province in Atlantic Canada.

Atlantic Canada is the region of the country that has by far the smallest population and within that region Prince Edward Island is by far the smallest province. Our small numbers and our limited resources and the seasonality of many of our industries make Atlantic Canada very vulnerable in these tough economic times, times of economic downturn.

One of the most distressing attitudes of this government is its obsession with the numbers game. If you do not have the numbers you just do not count. The human factor has been removed as a consideration when this government makes its decisions.

It is more interested in spending more millions of dollars trying to get credit for the few programs that remain in Atlantic Canada. For example in ACOA it spends millions of dollars in advertising and trying to take credit for itself for any programs that might be launched in the Atlantic area. It seems to put that emphasis on taking credit much more so than providing service to the region.

This government has become so bureaucratic and so legalistic in its approach that terms like compassion and social justice have disappeared from its vocabulary. They have been replaced with terms like cost recovery, bottom lines, user fees, rationalization and getting credit.

Many of our national institutions have been dismantled or are scheduled to be dismantled or are scheduled to be dismantled or have been privatized or scheduled to be privatized. We have a government that preaches national unity on the one hand and on the other it destroys the ties that have held this country together for well over 100 years.

In no place is this more true than in Atlantic Canada. Transportation, because of our location, is vital to our survival. It has been crippled by the policies of this government. It has become extremely difficult and extremely expensive for either people or goods to move within Atlantic Canada. It is also very difficult and very expensive to transport goods or people in or out of Atlantic Canada. The transportation problem alone puts us at a severe disadvantage.

When we combine it with other government policies in the region, we as Canadians are left to wonder about the real intentions and agenda of this government. We are left to wonder about the real effects of this government's decentralization policies. We are left to wonder about whether all Canadians are really equal in the eyes of this government. We are left to wonder if people are really a priority any more or are we being ruled by a corporate agenda.

This country has been in existence for over 123 years. In that time we have built a country that provides its residents with a standard of living, a quality of life that is the envy of the world. These standards and our quality of life are weakening rapidly. We have shown the world the benefits of unity. We, as Canadians, have reaped the benefits of unity. It is bitterly ironic that in the face of all of this we are now going through the worst unity crisis in our history.

It is a unity crisis that is sorely aggravated by our economic problems. Nowhere is this more true than in the Atlantic provinces. Our region is plagued by problems in every major economic sector; the fishery, agriculture, tourism. Atlantic governments have recognized how imperative it is that people who have common interests and common needs join together in common cause if they hope to make legitimate progress. They have made substantial moves toward economic unity and have plans to continue in this vein.

However, federal budgeting and legislative policies have made it very difficult for Atlantic governments to even maintain standards let alone improve them. A case in point is the recent federal decision to further reduce equalization payments by over $100 million.

While the press release issued by the premiers after their emergency meeting indicates they took the latest blow with some degree of equanimity, I must report that the people in my riding, and these are the only ones I have heard from to this point, are extremely concerned. They see a $50 million deficit for this province for this year. They know that this cannot continue and they know that something has to be done about it. They see more problems coming. There have to be cuts and the people know there have to be cuts.

The three main industries in my riding are fishing, agriculture, and tourism. The people in these industries have already been hammered by changes and difficulties beyond their control: the fishermen by changed carapace size, lower catches, and lower prices; the farmer by the potato virus and low beef and hog prices; the tourist operator by the GST inflated costs and a recession that has kept many tourists away. The effects of Bill C-21, changes to the UI Act, are starting to be felt. They fear more hard times are on the way and definitely they are right.

I want to emphasize that we are all aware of the hard times.

• (1720)

We are all aware of the deficit and we are all aware that we must do our share and we are willing to do our share. However, at this point we feel that a disproportionately high proportion of the burden has been shouldered by Atlantic Canada. We do not feel that we should be asked to carry more. Indications are, however, that this is exactly what is going to happen.

We were worried about the potential impact that constitutional change and the free trade agreement would have on programs such as health care. Now it looks like we will not have to wait for constitutional change as freezes and cutbacks are going to force changes right now.

People in my riding are looking at the health care system, medicare. Many are alarmed at what they see. We have already seen staff layoffs in hospitals. We have seen beds closed down. We have seen services curtailed. Now people see more of the same and these cuts are probably going to be permanent or are going to remain for quite a number of years.

People have reason to be concerned. They see this government cutting, cutting, cutting. They know that the capacity to deliver programs will be reduced because of these cuts. They know that people in our region will likely not be able to enjoy the same standard of health care as their fellow Canadians in more well-to-do provinces. For example, the Established Programs Financing program has been capped at 3 per cent. Health services in Prince Edward Island are increasing at the rate of 7 per cent which leaves a 4 per cent shortfall every year, year after year after year. How is Prince Edward Island going to be able to deliver the same level of services as British Columbia, Alberta, Ontario and Quebec?

Mr. Speaker, you have indicated that my time is almost up so thank you very much.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I did not want to pass up on the opportunity of asking the member a little question given that it is small business week. Although the debate does not specifically centre around that particular aspect of it, I think that when we talk about rural post offices, when we talk about fisheries and when we talk about railroads and we talk about cutbacks in transfer payments to our Atlantic provinces, we are talking about a broader

community than just those directly affected by these moves.

Specifically, I would suggest that through the cut in transfer payments to the Atlantic provinces, what we are doing is either cutting massively on services that will hurt our seniors and others, particularly lower and middle income earners, or we will have to see the increase in taxes in the area and taxes come out of the pockets of the middle class and the small business community.

My question to the hon. member is, given the fact of these cuts, given the fact of what will be looked at, does he have any suggestions to the people of Atlantic Canada, and certainly to those of us in the rest of Canada, who have already faced some of these cuts, as to what the small business community in his area will think of these cuts and how it will think of this particular government giving those cuts and what is going to happen to it in the future?

Mr. McGuire: Mr. Speaker, for the information of the hon. member, this is our second round of cuts. We have already gone through one round and this is our second kick at the cat in this regard. The less money that is in the province, the less money people have to spend and the less money will be spent in the small business sector of our province.

There is another thing I would like to mention that has been happening in Prince Edward Island, and I assume the same thing is happening in the member's own riding. The unemployment insurance program is a vital program for Atlantic Canada and especially Prince Edward Island where most of the main industries like tourism, agriculture and fisheries are seasonal industries and the majority of our work force is engaged in this three industries.

For the first time, with the fishing and tourism season being concluded, we see people going in to apply for unemployment insurance and they are faced with this particular questionnaire. It is called the insurable employment questionnaire. It says: "Complete and return with your application". The first question on this paper is: "Are you related to any of your employers by blood, marriage, including common law or adoption?" Then they go on to ask: "Do you have a controlling interest in any of the companies in which you have worked" and "are you involved in any business relationship with the employer?"

In areas of a small province such as Egmont in western Prince Edward Island, and especially in the fishing industry, very many of the employer and employees are related. It seems as if it is almost a crime to work for someone who happens to be your third, fourth or fifth cousin. It seems to be a crime to work even if your wife has a business and you as her husband are working in that particular business. This was never a problem in the past. In fact most of the recent court rulings have said there is absolutely nothing wrong with this particular employee and employer relationship.

If the applicant checks the "yes" block, then his form has to go to Revenue Canada and this tacks two, three or four weeks on to their waiting period. Instead of waiting for four weeks to have a claim processed to get money, which will then be circulated in the community, they have to wait almost two months.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am very pleased to speak on this motion today. As my colleague from Egmont has said, we in Atlantic Canada do not get a great deal of pleasure in speaking on this particular subject. It indicates that the people in our area are not as successful as we would like and that we have economic difficulties which we want to improve upon.

We have a very difficult economic situation in Atlantic Canada. I would like to say that we in the opposition are working hand in hand with the government to try to find these answers. But that is not the case. The government maintains that everything is going well in Atlantic Canada. It has backed away from the problems that Atlantic Canadians are experiencing at the present time.

This motion talks about three areas in particular which are fundamental to the problems in Atlantic Canada. They are not the only problems. If we were to list every problem we would not have time for the debate. It would take from now until Christmas to debate the inconsiderate attitude of this government toward Atlantic Canada.

I think my colleagues have stated quite well the problems that exist, particularly the questions on fisheries, equalization and transfer payments. These are problems that the government just will not change its course on. The fishery is just devastated. There are no groundfish available to catch and, if there are, they are

not coming in to where the inshore fishermen can get them. Yet our government, in its interest to please the foreign jurisdictions, to be buddies with the European Common Market and other nations, is giving these countries increased quotas at the expense of our own fishermen.

One would think that in an area where there is economic difficulty the government would go out of its way to try to promote an industry that can create employment. Instead it is going the other way. It is going out of its way to take jobs away from the fishery in Atlantic Canada to give them to other countries.

One cannot help but agree with Atlantic Canadians when they ask: "Whose side is the federal government really on?" It is a natural response.

The question of the railway is really a most incredible thing that we are contemplating and experiencing in Atlantic Canada right now.

• (1730)

The government wants to sell a main line from Truro to Sydney. Now this main line has been there since the 1860s. It is vital to the economy of Cape Breton Island in particular because Cape Breton Island is probably one of the areas which has the most economic difficulties right now. It depends on a struggling coal industry and a struggling steel industry.

When you are transporting coal and steel you use a train because you are shipping to thermal generating plants in Nova Scotia. When you are shipping steel you ship by train. Here is CN which uses the product that Sydney Steel is producing, going to sell the railway and take the chance that the railway will close entirely. Then it would not be able to purchase the steel that the steel plant makes because the it could not be transported on the line.

Now certainly you can transport by ship but you can only unload that rail at certain destinations. You have to be able to ship the rails by rail. Yet the CN is saying no. Of course what it wants to do is sell it to a short line operation. It cannot abandon it because it would have to go before the National Transportation Association and that would not be allowed. It wants to do what it has done with Route Canada. It wants to sell it to a short line operation and get away from all of the federal restrictions that would be required if that short line operation went bankrupt. It would not have anything more to do with it, as it did with Route Canada. It would simply say it sold the railroad. It would have no further responsibility.

If the company which bought it went into bankruptcy it would say that it looked like a good idea at the time to sell it to them. It would say that it screened them, they were gold plated, they were this, they were that, but they still went bankrupt. And there would be nothing anyone could do. Once again transportation interests in this country would be sold out. I mean it is absolutely disgraceful.

The government is saying that a short line operation is the way to go. A short line operation can really work. But what it is not telling the people is that CN plans to intermodal from Moncton eventually, to take the railroad to Moncton and from Moncton to transport by truck. A short line operation, operating between Truro and Sydney, would be competing with CN's own trucking operation. Now that is absolutely incredible, and they expect people to believe this.

In addition to this we know that Canadian National is actually de-marketing its own operation. It is discouraging people from using the rail service. What it hopes by that is that the bottom line will look so bad it will prove to be the justification for selling the railroad.

Even with this de-marketing of its operation it still makes a profit. No matter how hard CN tries to discourage would-be users of the railroad, it is still making a profit. Now can you imagine a Crown corporation doing this in Canada? Can you imagine a government allowing this Crown corporation to do this in Canada? I mean it is absolutely incredible that this is what is going on at the present time.

It is no wonder that people in eastern Nova Scotia and Cape Breton Island are absolutely furious. They feel they have been absolutely abandoned by the federal government.

Generally in this country steel is in difficult shape. We just heard one of the senior officers of Stelco tell us that in the last year it has lost 500,000 tonnes in its Canadian market. Four per cent of its steel has been lost because of companies either moving to the United States or going bankrupt.

In Sydney we have a rail producer. We thought that if the free trade agreement would be of some benefit then it would be a benefit to Sydney Steel because it operates in a tidewater operation. It can sell rails and land them in the northeastern United States more cheaply than the steel can be brought from the mid-United States to that area of that country.

Yet what happens is that we are countervailed. The Sydney Steel plant is countervailed against, 120 per cent. Of course it cannot compete, but why did that happen? The government decided in its haste to have a free trade agreement not actually to come to terms with the definition of subsidy.

The problem of course is that it is open. The United States has used its own definition of a subsidy to serve its own interests. The agreement said that the definition would be provided in seven years. Now that has changed because Canada and the United States have said they want to wait until the GATT defines what a subsidy is.

We are constantly left to spin in the air. More and more the government has said: "This is a small part of Canada, four provinces with only 32 seats. It does not figure in our plans to try to get re-elected. It does not figure in our plans of what this country is all about". I think this is a tragedy.

We are talking about renewal of this country, yet at the same time we are abandoning four of our ten provinces. If this is what this government means by "Canada" then certainly it is completely at cross-purposes with what this country means to Atlantic Canadians.

Atlantic Canadians see themselves not as second level Canadians but on the same level as all Canadians.

This is only fair in this country. This is what we have promoted. This is the greatest country in the world yet we are choosing who are going to be successful and who are not. There have been some very stupid programs, but that stupidity should not mean that the government will try once and that is the end of its attempt.

I would ask this government to reassess its policy and treat Atlantic Canadians as being equal to the rest of Canada. It must recognize that Atlantic Canadians need the support of this government. They do not need the government working against them.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I want to agree with the comments my hon. colleague from Cape Breton—The Sydneys has made.

Although I represent the great city of Dartmouth on the mainland of Nova Scotia, I cannot deny my roots as a Cape Bretonner.

It was the influence of the member from Sydney that is partially responsible for my being here. He is exactly the type of member of Parliament that I would aspire to be. He is an individual who went into politics for the right reason, and that reason was to try at the national level to ensure that those people who gave him the privilege of representing him in the Parliament of Canada were well served and that their needs and desires were put clearly in the House of Commons.

Those needs and desires are not that different from those of the people who live next door to them on mainland Nova Scotia or in the city of Dartmouth or anywhere in rural Canada, indeed anywhere in Canada.

The member takes his job very seriously. He is one of the few who are not given to flights of rhetoric in this House. He speaks very seriously about the issues at hand and I want to get his perspective. He has represented the good people in Cape Breton—The Sydneys for quite a number of years. It must make him feel somewhat bad as a long-standing member of Parliament to be at this point in his career where we still need to have debates in the House of Commons about equality and fairness for all Canadians no matter where they live.

I want to get his opinion on the policies of this government, not just in transportation but in every aspect of its economic policy. Has this government done anything since 1988 that would make people in that great island of Cape Breton or anywhere else in Nova Scotia feel more of a Canadian or less of a Canadian? I happen to believe that what it has done is systematically, through its economic policy, dismantle this once great nation.

Mr. MacLellan: Mr. Speaker, I would like to thank my friend and colleague from Dartmouth for his kind remarks. He has hit upon what I think is a very sensitive issue. When one chooses to be a member of Parliament he hopes to be able to make a difference. He hopes to be able to influence things for his riding that will improve the state of the people in that riding. It is very difficult for me to sit here in this House of Commons and watch

the government systematically dismantle our social programs, our regional development programs, and to categorically turn away from people in Atlantic Canada, particularly Cape Breton Island. That is not an accident. They have just chosen to do that as a priority. It is an insensitivity that I just cannot understand. As a Canadian I feel very, very betrayed by this, and as a parliamentarian this sense of betrayal is even greater.

• (1740)

I would like to say that the people in Cape Breton Island are as strong Canadians as any group in this great country. They fought bravely during the two world wars and the Korean conflict, they have flown the flag with pride, at every opportunity they choose at their own volition to demonstrate their love for their country. One looks at them and says these are true Canadians because their government is not doing anything for them. Yet in spite of the arbitrary and derogatory treatment they are receiving, they remain great Canadians and proud Canadians.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it is a pleasure for me to take part in the debate today on this very, very important motion. With regard to the member who just spoke, although we are on different sides of the House, I think we have a great deal in common. I start out by saying that for a particular reason.

Today I met with a minister from the Atlantic Baptist Federation. He is meeting with various members of Parliament, parliamentarians on all sides of the House. It was very refreshing. I met with him just minutes before Question Period and we spent I guess 15 or 20 minutes together. It was very refreshing because as a minister and as a concerned citizen, and as a church, they want to know what they can do for individual members of Parliament and what they can do for Canada as a country in the next coming months. They are no different than any other church or any other denomination, but I think it was very refreshing to see this individual and his people visit Parliament and take an active role in what we are doing here and maybe how they can help us.

That is sort of the theme of today's debate. What can we do to improve the situation that we presently have, and I wanted to say presently enjoy in Atlantic Canada but I don't think we can take too much enjoyment in it.

To go back to some of the remarks made by the previous member, he mentioned that the government would have Canadians believe that everything is going well in Atlantic Canada. That is simply not the case. The government clearly recognizes that we have huge problems in Atlantic Canada. Some of those problems have been with us since Confederation, there is no question about that. It is a reality that we may have attempted to ignore in past years, but this government certainly is not ignoring that.

What we are talking about here are transfers of federal dollars, just so the people back home will know. It is a transfer of federal dollars from within this Confederation back to the poorer regions of this country. What it simply means again is it is taking moneys from other provinces and putting it into some of the have not provinces of this Confederation.

In the last year or so none of us questioned that we have gone through a very difficult economic climate. We are in a recession. The government clearly has admitted that. But the problem that that creates for Atlantic Canada is that the provinces that usually have the economic clout, the money, to put into some of these poorer regions simply do not have it. If you take a very close look at where those federal dollars have come from in the last number of years, it basically boils down to three provinces. Moneys are being transferred to the poorer regions of this country from provinces like Ontario, Alberta and British Columbia. That has been the story of this Confederation in regard to equalization payments, those transfers to the poorer provinces, so that the poorer provinces can distribute the kinds of services and programs to their people as the rich provinces can do.

Part of the reality is that these provinces have had a huge slowdown in their economies. The province of Ontario, for example, has had a huge slowdown. B.C. has experienced the same thing and so has Alberta. That is why the transfers to provinces like my province are being reduced. It is not as if we are out to punish the provinces, but we simply have to work by a formula that was established long before most of us arrived here in this House.

During good times that formula works to our advantage and during bad times we have to live with the results. I do not like living with those results. That means people in my own neighbourhood in my constituency are going to suffer. That is the difficulty with the formula. It can work for you and it can work against you.

Again, going back to the reality of the whole equation, the reality that we are faced with is we are going through some very difficult times. The opposition would like us to think or would like the Canadian people to believe that we are isolated from the rest of the world, that we are the only country going through this very difficult period. Believe me, we are not. We cannot take much satisfaction in that, but we are not the only country in the world going through this recessionary period. The unfortunate part of it is of course that we have to suffer the results of that in our own neighbourhoods.

One of the things that I want to mention, especially in light of the debate that we are hearing across this country at this very moment, the unity debate, the constitutional debate, a part of that I think is going to bring the kinds of answers or the resolution to the problem that we are suffering in Atlantic Canada. As I mentioned earlier, the have not status of Atlantic Canada is not new to us. We have experienced that since Confederation. Also since Confederation we have worked with an outdated Constitution. We have worked with an outdated means of dealing with the realities in today's marketplace.

One of the things that excites me about our economic constitutional proposal is the fact that for the first time we are taking a serious look at dismantling some of those 500 interprovincial trade barriers that have restricted the development of provinces such as mine.

We can point to the present way we do business in Atlantic Canada and see some monumental flaws in it. All of us can, both sides of this House. The difficulty is we could never agree on how we were going to resolve some of those or whether in fact there was the political will to resolve some of those structural difficulties in Atlantic Canada.

For the first time we are taking a very serious look at it, a very reflective look at it. Some of the premiers who have staked out these protected positions on their sort of individual fiefdoms are now taking a very serious look at dismantling some of those barriers that have restricted our ability to move along with the rest of Canada.

The economists are telling us that in all parts of Canada on average it is costing a family of four $1,000 in some of the inefficiencies built into the Canadian economy presently. Some have even extended that figure upward to $2,500. Whether it is $1,000 or it is $2,500 it is costing us something. We have to move beyond that.

It is refreshing to know that Canada does want to move beyond that. We want to bring ourselves into the 21st century in a way that we can all be very proud. We are going to have to do that by hard work and dealing with some of those structural inefficiencies that we have lived with for the last 125 years.

• (1750)

The various economists have various ideas. I guess you would get as many ideas as to how we can improve the lot in Atlantic Canada as you have economists. In fact, you have heard that expression, Mr. Speaker, if you had three economists in the same room you would come up with four different points of view because at the end of the day one of them would sure enough disagree with himself if he talked long enough.

One of the articles that I would like to bring to the attention of the House is an article by John Odenthal. Mr. Odenthal is an economic researcher with the Atlantic Provinces Economic Council which is based, as many of us know, in Halifax. The timing of this article is very refreshing. It is an article from the *Commercial News* of September 1991. It is only a month or so old. He is saying that many Atlantic Canadians seem to think that if the country were to split up, they would live and work pretty much as they always have. He goes on to quote some statistics here:

> According to a recent survey commissioned by the Atlantic Provinces Economic Council, fully 57 per cent of Nova Scotians, New Brunswickers, Prince Edward Islanders and Newfoundlanders believe in their immutable economic future.

He goes on to say:

> Well, it's time for that 57 per cent to yank their heads out of the sand. Whatever becomes of Canada, the economic status of the Atlantic Provinces is not going to remain constant over the next few years.

He goes on to mention equalization payments. The statistics are almost alarming. We mentioned the net reduction in transfers to the provinces and again none of us on either side of this House want to see this happen, but it is a reality that we cannot ignore, but one of the startling figures that he brings out is that these transfer payments compose 39 per cent to 46 per cent of the provincial revenues in the respective provinces of Atlantic Canada.

What he is telling us, and most of us in this House know that anyway, but it is just to remind ourselves more than anything else, is that when you have an area of the country that depends on almost 50 per cent of their income from the rest of Canada, it tells you that there is a big, big problem.

I went through some of the structural changes that have to occur in Atlantic Canada and we have mentioned them, but this situation cannot continue. That is why I am really pleased with some of the initiatives that the federal government has taken to come to grips with this recurring problem, this problem that we have had since Confederation. For example, despite what we may think of it on an individual basis, the free trade agreement that will allow us to access that huge American market which is geographically next door, in my riding within six hours you can be within selling distance of 20 million to 50 million people. It is six to eight hours depending on what direction you are travelling. But there are all kinds of possibilities there for us.

We have got to get there on our own. We cannot continually look for other parts of Canada to prop up Atlantic Canada. We are going to need it. The difficulty that I see, of course, is getting from here to there. We know where we want to be and we are going to have to get some help to get there, but we are getting some of that help and I do not think we can ignore that.

Canadians have borne the burden well if you want to look at it in that sense; in other words, the have provinces to the have not provinces. It is a remarkable thing about this Confederation of ours that we have been able to do it. There are not too many Confederations in this world that will do it as well as we have in Canada. Can you imagine 50 cents out of every $1 spent in Atlantic Canada by the governments of Atlantic Canada are coming from the pockets of other Canadians and other provinces. That tells me that our Confederation has worked darn well for Atlantic Canada. We have obviously got to do more and we are going to do more because we are going to work through this problem together and we are not going to do it by simply criticising. I think the days of criticising are over.

It is very, very refreshing to note that when the loss, if you want put it that way, in those transfer payments to Atlantic Canada was announced, the premiers of Atlantic Canada did not jump up and down and pull their hair out by the roots and scream and holler and point fingers at Ottawa. It is very refreshing to note that they took a very balanced, reflective approach to the problem.

Two years ago that would not have happened. Two years ago they would not have done that. They would have been in front of the television cameras screaming and hollering at the reduction in transfer payments. That sense of reality is coming through. That sense of reality is best expressed by Premier Clyde Wells, and I quote from *The Montreal Gazette*, today's edition: "We have to bear in mind the whole nation has a problem". He is looking at a confederated Canada, a full Canada in which we work together on common problems.

It is very refreshing to note Mr. Wells' position in regard to our latest constitutional initiative. He knows that if this country is going to work, we have to work together to solve our problems. We do not do it by fighting.

He also goes on to say: "But we want to make sure that the reduction in federal transfers is done in such a way that it does not unfairly burden the poorer provinces like the Atlantic Provinces". I agree fully. As long as we all share part of the cost, we will do it ungrudgingly because we will all bear part of the burden for keeping this thing together, working together to get through our difficulties.

The premier of New Brunswick has basically stated the same thing. Mr. McKenna has stated that he is not happy with it. One of the things he is clearly unhappy with is the fact that the better you do in terms of dealing with some of the difficulties in your economy, the worse you are treated at the end of the day in relation to the

present formula we have to work under. That is clearly one of the difficulties. The premier recognizes that.

The premier of New Brunswick is now saying to us, to the federal ministers, the Prime Minister: "We will accept part of the burden. We will accept part of the cost, but let us consult a little bit more on what happens in Atlantic Canada and maybe on where some of those federal monies are going to be spent or how they might be best spent".

Again, it leads me full circle back to our constitutional proposal. It is clearly underlined in that proposal that Ottawa cannot do it alone, that we need to have some help in this thing and the help will come from the 10 provinces with which we will consult. We will work together to work through our economic difficulties. When the day comes to deliver a budget in the House of Commons, it will not be shrouded in the kind of secrecy in which it has been shrouded in the past. We will go through that consultative process so at the end of the day the finance minister in the province of New Brunswick knows what we are doing; the finance minister in the province of Ontario has a sense of where we are going.

We have all criticized in this House the finance minister of the New Democratic government in Ontario.

An hon. member: Not all of us.

Mr. Thompson: The hon. member, a member of that party says "not all of us have criticized". I have not criticized him either. He was doing what he thought was right. He was elected to do that. At the end of the day we may disagree, but he was doing what he was elected to do.

If you reflect on the situation in Ontario, despite the party that has formed the government in that province, today it is going through the same kind of difficulties that we are nationally, federally. It is cutting it back. Maybe if it had to do it over again, it would not have gone on a borrowing spree as it had to in the spring of 1991. Maybe it would have pared it back then. It is recognizing that there are some structural deficiencies in the economy of Ontario and it is going through a very, very difficult period. It is going through that same process we have had to go through here for the last two or three years.

An hon. member: There is going to be less money for transfer payments to Atlantic Canada.

Mr. Thompson: The member said it. There is going to be less money for transfer payments to Atlantic Canada. I hope there is. I hope the economy in Atlantic Canada is so vibrant that we do not need those transfer of payments.

• (1800)

That is where we want to lead ourselves in Atlantic Canada to work through this thing. We are going to need the help of the rest of Canada for a few more years to come and some of the structural changes that we are proposing to the economy and some we have already carried out are going to help us in the long run.

I am a little bit uncomfortable in the short term because there are industries in my riding that are suffering as there are in all parts of this country, but it is not because we have ignored them. It is a problem of money. There is not enough of it to go around and I wish there were more, but there is not.

We are going to work through it together in the spirit of a true confederation, the kind of Canada that we all want.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I listened with interest to the hon. member's remarks in the House and he was speaking about the idea of breaking down provincial trade barriers. I want to suggest to him what would happen if we in effect removed the protection that we have for small industries located in Atlantic Canada. Let us use breweries for example. The great cry has been to allow Moosehead to be sold throughout the rest of Canada.

Is there not a danger that once that protection is removed and the transportation component, the high cost of transportation in this country is invoked, those Moosehead jobs or those of any other small manufacturing jobs in Atlantic Canada or in other regions will relocate to Toronto, and that Labatt's will buy the licence, add another shift of three or four people and match the output? Is that not the danger of arbitrarily removing the provincial barriers? Is it also not a danger of big companies from the golden horseshoe, from Quebec, getting the contracts to build whatever in Atlantic Canada and bringing their own workers with them?

Mr. Thompson: Mr. Speaker, we are running out of time. I would love to have a few minutes anyway to attempt to answer that question, but I see we have one minute left.

That is a valid point and to respond to that I would simply have to say that transportation is only one component within many components or elements that determine the price of a product. I think the belief and the understanding is, and I buy into this philosophy, that any time a smaller economy has the opportunity to sell into a larger economy that smaller economy at the end of the day is the winner. I believe that our competitive position in New Brunswick will be enhanced by that arrangement.

The Acting Speaker (Mr. DeBlois): It being six o'clock p.m., it is my duty to inform the House that, pursuant to Standing Order 81(17), proceedings on the motion have expired.

[*Translation*]

Pursuant to Standing Order 30(7), the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

EUTHANASIA AND CESSATION OF TREATMENT ACT

MEASURE TO ENACT

Mr. Chris Axworthy (Saskatoon—Clark's Crossing) moved that Bill C–261, an act to legalize the administration of euthanasia under certain conditions to persons who request it and who are suffering from an irremediable condition and respecting the withholding and cessation of treatment and to amend the Criminal Code, be read the second time and referred to Legislative Committee G.

He said: Mr. Speaker, it is my pleasure to rise to participate in further debate about the desirability of legalizing euthanasia in Canada, a position which is supported by some 80 per cent of Canadians in circumstances in which persons who suffer from an irremediable condition, an irreversible medical condition, and who request their life to end be permitted to do so, and to protect physicians who assist in that process.

If I can begin with a little background dealing with health and quality of life.

The World Health Organization, as we all know, utilizes an holistic definition of health which includes spiritual, emotional, family, environmental and physical aspects. Not only is our society's concept of health changing, but patient expectations of the health care system and its professionals are changing.

Many patients refuse to accept the simple reassurance that the doctor knows best. They are no longer content to be passive recipients of medical magic and in ever increasing numbers individuals are demanding to be active, informed and in part participants during the process of utilizing the health care system.

Whereas in the past the basic expectation of physicians was simply to extend life, Canadians now are looking for improvements to their lives, which most of us can safely assume will be long. We want not only to live to a ripe old age, we want to be healthy, free of ailments which could impede our ability to enjoy life to the fullest. Because each person's idea of a fulfilled life is unique, society has begun to assert its desire that the health care system be responsive to individual needs and desires.

All this is happening when, through modern medical technology, past fatal diseases have become conquerable. Unfortunately, such medical advances have led to the situation in which perhaps almost 75 per cent of us will die as a result of some chronic, degenerative disease such as cancer or heart ailments or strokes. Today's lethal diseases often cause us to suffer lingering and painful deaths.

On occasion the practice of medicine gives rise to conflicts between healing, preserving life, alleviating suffering and administering comfort. For some preserving life means more suffering.

With all of these changes, the evolving holistic concept of health, increasing patient participation, ever–advancing medical technology, it has become more difficult to define health just in terms of life alone.

Today it is possible for individuals to have life without enjoying any of the characteristics of health. The issue of quality surely must enter into any consideration of life and/or health. A better quality of life is only one–half the problem. People also deserve a better quality of

death. Consideration of this flip side, the quality of death, gives rise to our discussion of euthanasia.

I think most Canadians think that we as a society need to seriously consider the legalization of euthanasia, and such consideration, as I said, has become unavoidable because of the accomplishments of medical science.

What is euthanasia? The meaning of the word is "good death." However, the meaning has become much more complex. The Ontario Medical Association, for example, has defined euthanasia as being an act of actively assisting to die the patient who has requested that his or her death be hastened. This definition perhaps provides no hint to the emotionally charged nature of this morally frustrating, ethically confusing issue which demands our attention.

Perhaps a better definition is one which defines euthanasia as signifying the termination of life when the quality of life as defined by the patient has degenerated to the point of meaninglessness, when the illness has reached a stage beyond the help of any physician.

A distinction is often drawn between passive and active euthanasia, with passive euthanasia being acceptable while active euthanasia is not.

This argument holds that passive euthanasia, allowing individuals to die by withholding or ceasing comprehensive medical treatment, is not the same as active euthanasia, some positive act which leads to death, such as the administration of a lethal dose of a drug.

In short, the argument asserts that somehow the latter is killing while the former is not. I think really there is no distinction morally between passive and active euthanasia, since the intention is the same.

There is another important question to be asked: is there a moral difference between physicians who assist patients in dying through their purposeful decision of non-action and physicians who assist patients in dying by administering a lethal dose of medication? Again I say that for physicians, the answer must be no, provided that either scenario takes place in accordance with the expressed wishes of the patient.

The issue of significance is whether the circumstances of euthanasia are voluntary or involuntary. We are limiting our discussion to voluntary euthanasia. It seems to me that voluntary euthanasia rests on a fundamental human right, the right to die if death is the only release from suffering.

Surely the right to choose to die is a very important demonstration of individual freedom, but no individual has the right to advocate it for another. Clearly voluntary euthanasia is not killing. It is physician aid in dying. Involuntary euthanasia on the other hand is in no uncertain terms murder.

• (1810)

When I state that I support the legalization of euthanasia, I am saying that a patient who is fully cognizant of all the facts regarding his or her diagnosis and prognosis should be able to request the aid of a physician in achieving his or her own death should they so choose. That is the first point of Bill C-261, that a person should have the right to make this choice in circumstances of an irreversible medical condition.

My second point is with regard to protecting physicians who assist. The law should be changed so as to permit physicians to fulfil such requests of their patients. In Canada we saw the partial acknowledgement of each individual's right to determine the circumstances of their own death when the act of suicide was decriminalized.

By not decriminalizing aiding and abetting suicide, we are preventing some members of our society from exercising this right and instead are sentencing them to lingering, painful deaths. The right to control one's own dying process, to die with dignity, needs to be accepted in our legal system and physicians who assist patients' wishes need to be free from any fear of criminal responsibility.

Should euthanasia become legalized in this country, clearly relevant laws must be carefully constructed. The rights of all individuals need to be enshrined within such legislation and the legislation must guarantee the freedom of choice to every Canadian. It must grant those with irreversible medical conditions the right to die with dignity and it must also provide medical professionals with the right to choose not to participate.

The key concept here, it seems to me, is choice. By legalizing euthanasia within clearly defined guidelines, all Canadians can be provided with the opportunity to choose euthanasia or not. By not legalizing it, many Canadians will be forced into the only option available, one which otherwise they would not choose.

Those who are opposed to legalization of euthanasia deny others the freedom of choice. Pieter Admiraal, a physician in the Netherlands and some like-minded colleagues summed up this discussion nicely when they explained that not everyone would choose euthanasia. There are those who would prefer to fight for life in the midst of pain up to their last breath. This is their right but we should all have the power to choose.

In the debate regarding euthanasia it has been accurately observed that to err on the side of life is to not fully understand that for some patients life in any meaningful sense is already over. Is this the sort of error that a society which truly values life would make?

The argument rooted in the moral issue of the sanctity of life is one of the most common barriers directed in opposite to euthanasia. We are encouraged by those who hold this point of view to consider the rightness or wrongness of allowing doctors to assist patients in their death upon their request, the rightness of taking life with the permission of the person involved.

It is also important to consider the flip side of this argument. Is it right to deny members of our society who have irreversible medical conditions an escape from the suffering they experience? Is it possible to profess a respect for life when we have little or no concern for those whom we force to endure it against their wishes. Certainly if as a society we want to preserve the moral value of the sanctity of life, we need to be clear about what is sacred about life. Is it biological existence of some measure of quality?

If we as members of the Canadian community truly possess a sincere respect for life we should accept that the meaning of life is defined in most personal terms by each individual that some will define their own life in terms of quality and others in terms of basic existence.

Should we not accept that through our own personal definitions of life some of us will support euthanasia and others will oppose it? Would not a genuine respect for life dictate that neither is more right than the other? If we do not want to violate the sanctity of life then I believe we are required to respect each individual's interpretation of life's meaning and accept that this will necessitate the availability of euthanasia within our health care system.

Another argument in opposition to legalization of euthanasia is rooted primarily in religion. Some put forth the argument that only God gives life and only God can take it away and thus euthanasia should be opposed. Can the medical technology of today which can keep the body's vital processes functioning for an indeterminate amount of time be described by those with this perspective in any other way than the moral intervention in this divine plan? Surely, though, those that take this view should not force their views and values on others who do not share them. Physicians are increasingly exercising their power to determine life and death in our own health care system.

Clearly physician aid in dying is occurring presently but without standardized regulations or safeguards. It is this *ad hoc* approach it seems to me that should be feared, not the legalization and regulation of euthanasia. The concern expressed that legalized voluntary euthanasia would lead to involuntary euthanasia is not warranted if the legislation is carefully developed and crafted.

One of the many arguments employed in opposition to any consideration of the legalization of euthanasia is that such a move would subvert the role of the physician. Those who make this assertion typically ground their argument in the Hippocratic oath. They refer to the part of this historic document which commits physicians to the role of healer and insists that this prohibits them from ending life. They suggest that the legalization of euthanasia could serve to relieve physicians of their pledged obligation to preserving life, and not only would the public confidence and trust in the profession be undermined but patients' lives would be at risk also.

I find it impossible to believe that the only thing that has prevented patients from being killed by their physicians is their pledge to the Hippocratic oath. Surely physicians, like most other members of society, are influenced by existing moral and societal values, which prohibit murder, and they are also influenced of course by their code of ethics and conduct.

Now, understandably, the initial purpose of the oath was to establish the medical profession as valuing life. However, it was created prior to any possible conception of what health care would become today and it was created in the absence of any real ability to prolong life in the fact of death. Times have changed drastically in

this regard and I think we need to address these concerns in a different and more humane way.

When emotional and spiritual health are assigned similar status to physical health, the physician's commitment to the role of healer could not be interpreted as a prohibition from allowing death to occur if its purpose is for the relief of suffering. It has been suggested that doctors have to realize that in certain circumstances assistance in dying is a form of medical treatment. It is another way of relieving suffering.

On the subject of pain and suffering, in particular, one writer wrote: "Many people are in favour of the introduction of euthanasia for release from unbearable, painful or undignified existence, and far from resulting in an attitude that would undermine the foundation of society, euthanasia would be seen as an expression of the realization of the limits of human endurance and as an acknowledgement of the duty of care."

It is worth remembering when dealing with physical pain that not all physical pain can be relieved through the appropriate use of pain suppressing drugs. Most can, but not all can. For example, of patients suffering terminal forms of cancer about three per cent will experience pain which is medically untreatable. Some studies in the area of palliative care indicate that we have seriously underestimated the kind of suffering that does exist.

It also needs to be recognized that suffering can take many forms beyond physical and terminal manifestations. If we accept the holistic view of health that I discussed earlier so as to include emotional aspects, we are challenged to address the pain and suffering experienced at this level also.

I use the term irremediable or irreversible medical condition purposefully, because I believe that the various manifestations of pain and suffering are not exclusive to terminal illness. Alzheimer's disease is a useful example in this regard. It is not a terminal condition, yet some of the people faced with this diagnosis experience serious emotional suffering. They fear living a life completely devoid of dignity due to the symptoms characteristic of the advanced stages of the illness. Can any medical professional claim the ability to understand, never mind the ability to treat, the emotional pain and suffering of an individual whose life has been completely altered due to a health problem such as Alzheimer's disease is?

The urge to avoid, or worse yet deny, the emotional experience of pain and suffering endured by those with irreversible medical conditions is part and parcel of our society's inability to face and accept death as being part of life. Our society has been accurately described as one which exalts the young and the healthy. But as a society we need to understand and accept that for each of us there comes a time when death is no longer the enemy. It is our challenge, I think, to allow others to die when they are ready and not to impose our own desires upon their personal decisions. We need to discuss the taboo subject of death openly with our doctors, family and friends, and the debate regarding euthanasia is a part of this.

In closing, I would like to emphasize that this consideration of each individual's right to die with dignity, the right to choose euthanasia, is not some esoteric academic debate taking place within the margins of Canadian society; conversely, the majority of Canadians are seriously contemplating this issue and are in favour of its legalization. Indeed, in a Gallup poll in 1990 that survey found that 78 per cent of Canadians believe that the doctor should be allowed by law to end the life of a patient if there is an incurable disease that causes great suffering, if the patient has made a formal request in writing.

• (1820)

A study conducted by Dr. Molloy of McMaster University of 1,500 physicians found that 90 per cent of doctors felt that patient desires were important in life and death treatment situations.

With a majority of average Canadians in favour of euthanasia and a significant majority of the physicians believing that patient desires are important in the consideration of life extending treatment options, is it not about time that euthanasia became a health care option.

When a large number of physicians are willing to risk legal repercussions in order to practice in accordance with their patient's wishes and when we as health care consumers are increasingly demanding such personalized delivery of service, is it not time also to legalize euthanasia?

Now that we have medical technology that is capable of sustaining existence far beyond the point where all else that gives value to life has departed, is it not time that we legally sanctioned each individual's right to die with dignity?

I believe that that time has arrived. This bill and the suggestion that euthanasia be legalized at their core provide for two things: first, the choice for Canadians living under intolerable, to them, health conditions involving suffering and loss of dignity with no hope of relief and being able to make a choice to die. In other words, it is people having the opportunity and the right to decide when their medical condition is irreversible and intolerable to them to end their life. The second thing is for physicians who assist in carrying out their patient's wishes to be protected from criminal penalty.

In closing, surely as a society we are compassionate, tolerant and caring enough to provide for this choice and this protection.

Mr. Bob Horner (Mississauga West): Mr. Speaker, I rise today to discuss further Bill C-261, which would become the euthanasia and cessation of treatment act.

I commend the hon. member for bringing this forward for discussion, however, in my view this bill is inappropriate as I will try to show.

The difficult question of euthanasia deserves more careful attention than this bill has to offer. With advances in medicine, people are living longer and the number of those suffering from life threatening diseases such as cancer is increasing, as is the number of those with symptoms of Alzheimer's and other degenerative diseases which destroy the mind.

Medical technology now makes it possible to preserve life long after the person is able to function as a sentient being. With the spread of AIDS, many young persons, even babies, face the prospect of early disabling terminal illnesses. All these things have resulted in continued demands by concerned individuals and associations for the decriminalization of voluntary active euthanasia and counselling, aiding or abetting suicide.

At the same time, there is another group of concerns which cannot be left unattended if euthanasia is to be regulated. One is that many doctors will insist on attempting to treat for some time after there is no more hope of preserving or restoring any meaningful life.

In other words, many practitioners feel it is their duty to treat the terminally ill until the very last moment. The issue therefore becomes at what point should treatment cease and the person be allowed to die. There is also the concern that adequate palliative care for terminally ill persons may not be provided because of doctors' fears that administering enough of a drug to relieve pain may result in the death of the patient who has not yet decided or is not capable of deciding whether he or she wishes to die or live.

It can be misleading to confuse voluntary euthanasia with this group of concerns, although they are obviously linked to each other if only because they deal with ways to terminate life.

In my view, one cannot dissociate these concerns. Bill C-261 addresses to some extent these by adding sections having to do with the withholding and cessation of treatment. Unfortunately Bill C-261 does not differentiate between the two types of activities, leaving the issues more confused than before.

Clauses 16 and 17 of Bill C-261 seem to attempt to regulate the following: One, cessation of treatment where treatment is therapeutically useless; two, respect for the decision of a competent adult to refuse treatment; and three, causing death as a result of administering an appropriate amount of a drug to relieve pain of a terminal patient.

These activities do not by themselves entail criminal responsibility because they do not involve intentional killing. Instead, they raise the following types of problems, and I would like to go through this list:

1. How to give legislative recognition to an individual's wish to be allowed to die with dignity;

2. What constitutes treatment, that is, does the right to cease treatment include the right to withdraw nourishment;

3. Whether there are any public policy limits on the autonomy of adults;

4. Determining whether a comatose patient would want to have his or her pain alleviated even at the risk of death;

5. In what circumstances should the patient's agreement be necessary;

6. Whether third parties can provide valid agreement in circumstances in which the patient is incapable of providing it; and

7. Whether children can provide valid agreement, and whether there are any public policy limits on the autonomy of children.

While the latter part of this bill, and particularly sections 16 and 17, also purport to deal with these matters, I do not intend at this time to discuss them or the issues they raise because they are similar to the provisions of Bill C-203, an act to amend the Criminal Code, which will be known as the terminally ill persons act, and they will be discussed by others in the committee hearings on Bill C-203. I would just point out that these fundamental issues are not addressed by the provisions in the latter part of this bill.

I am here more concerned with the voluntary euthanasia provisions of this bill, and in this connection some background information may be useful. The bill is remarkably similar to the voluntary euthanasia legislation bill which was debated in the English House of Lords in December 1936 when second reading was moved and lost. This bill had been introduced in the House of Lords, it had never been debated in the House of Commons. The bill has been briefly summed up as follows: "The English Bill of 1936 requires that the patient shall be twenty-one years old (the age of majority at that time), of sound mind, and suffering from a fatal and incurable disease, accompanied by severe pain. A formal application is to be signed by the patient in the presence of two witnesses and submitted to the euthanasia referee, an official appointed by the minister of health, together with two medical certificates, one from the attendant doctor and the other from a specially qualified practitioner. The referee is to conduct a personal interview of the patient and establish that he fully understands what he is doing. Euthanasia is to be administered by a licensed practitioner in the presence of an official witness, such as the minister of religion or a justice of the peace. The bill sponsored by the Euthanasia Society of America is very similar, but provides for application to the courts for a certificate, the courts being empowered to appoint a committee of physicians and others to investigate the case."

This bill was severely criticized at the time and, as indicated earlier, never became law. Citing again from the same author: "This approach to euthanasia has been criticized as cold bloodedly formal and cumbrous, and Dr. Glanville Williams, who was the noted English academic authority on criminal law, has suggested that a more acceptable proposal would be to provide that no medical practitioner should be guilty of any act done intentionally to accelerate the death of a seriously ill patient unless it is proved that the act was not done in good faith with consent of the patient and for the purpose of saving him from severe pain in an illness believed to be of an incurable and fatal character".

• (1830)

Dr. Glanville Williams' advice was subsequently adopted in the voluntary euthanasia bill, which was introduced in the House of Lords in March 1960. As was the case with the 1936 bill, it was rejected on second reading.

The bill we have before us for debate is the 1936 English bill, with the addition of the good faith protection for medical practitioners, which in the 1960 bill replaced the earlier, more formal approach. Bill C-261 has thus been cobbled together with two English bills which were never debated in the English House of Commons and which did not obtain second reading in the House of Lords.

The only concession to Canadian content has been to replace the minister of health with the Attorney General of Canada as a person with the dubious privilege of designating the official to be known as the euthanasia referee.

Another difference is that in this bill, there is no requirement for official witnesses to the administration of euthanasia.

Most of this bill was prepared before World War II and its application is not restricted to the terminally ill. It applies to what is termed an "irremediable condition", which is defined as "an incurable illness, disease or impairment". This definition would include mentally disordered persons as well as persons with developmental handicaps and physical disabilities.

An hon. member: Even ageing.

Mr. Horner: Do not tell me that, please. It reflects an attitude by some that persons in these conditions were a burden to society and would no doubt wish society to help remove the burden if it were possible to do so in a legally valid manner. To put it bluntly, this English bill was part of another era and we need to devise a modern solution to modern problems. Importing a bill which was

rejected twice is certainly not addressing modern concerns.

Do I have a couple of minutes left?

The Acting Speaker (Mr. DeBlois): Is there unanimous consent of the members?

Some hon. members: Agreed.

Mr. Horner: I thank the hon. member for Glengarry—Prescott—Russell for giving me consent to proceed.

For these and other reasons, this bill is totally unacceptable. Its provisions are unfair to doctors, as well as to the general public. Under this bill, a doctor could administer euthanasia when the individual had changed his mind and the doctor was unaware of the change.

Under this bill an euthanasia certificate may be revoked by its destruction or cancelling it by writing "cancelled" or something similar on its face, but there is no requirement that the doctor review the situation with the person involved or even review the certificate before administering euthanasia. There is very little responsibility on the doctor to do anything after he gets the certificate from the euthanasia referee.

This approach could be compared with the Canadian Medical Association's position on resuscitation of the terminally ill, which requires that the attending physician and the nursing staff review a no resuscitation order at appropriate intervals and that a request by the patient to rescind a no resuscitation order should be implemented immediately.

It seems clear that there is a need to examine the claims of those who currently advocate the need for euthanasia legislation, as well as the position of the Law Reform Commission of Canada, that of other groups and the experience of other jurisdictions. It has been suggested that Canada follow the Netherlands model. It may be useful to inquire why the Netherlands, like the other European community countries, has no euthanasia legislation, although there is protection in Netherlands case law for euthanasia under very stringent conditions.

I want to conclude by saying that what is needed at present is an analysis of the issues and informed discussion, rather than an attempt to give an anachronistic British bill new life in the Parliament of Canada.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, this is one of those days when I wonder whether I should be angry or sad; sad about the role we are being asked to play in the House today.

Mr. Speaker, this may sound old fashioned to some people, but I maintain that no one on earth has the right to decide whether someone may live or die.

Mr. Speaker, the bill before the House today concerns so-called euthanasia. I always wonder why people feel they must use these terms in this kind of bill. I see here on page 2 of the bill: "Application for administration of euthanasia". If I ask Mrs. So-and-So in my riding to tell me what that means, she probably won't be able to give me a definition. Of course, what it means is an application to have someone else help us commit suicide. That is what it means. We can give it another name, but let's not forget what we are really saying.

[*English*]

Section 4 of the bill describes who is eligible for euthanasia. A person who is suffering from an irremediable condition and is not less than 18 years of age may make a written application to the referee on euthanasia for an euthanasia certificate.

Let us look at the definition of that word irremediable. It says: "means an incurable illness, disease, or impairment". It does not have to be life threatening or anything like that. Diabetes certainly qualifies in that group. It is incurable, at least as far as we know today. But is something that is incurable today incurable tomorrow? Probably all forms of cancer were incurable some decades ago. That is not true today. What is incurable at one point may very well change. Further, it does not even have to be a terminal disease.

Surely there is something wrong. Even if someone disagrees with me in my original statement, surely there is something wrong with that definition.

I could even argue that aging is incurable. What about arthritis? As far as I know many forms of that are incurable. Is that also grounds for the use of this bill?

Then I read the briefing note our colleague provided, and I thank him for this. I must say it does not make me want to support the bill more. It does the opposite but it does assist us in understanding what he is trying to do in spite of the fact that I disagree with it. It says that individuals of less than 18 years of age can only make such an application with the written consent of a parent. What are we saying? That an adult can give the consent for a child to be killed?

Is this what we are saying as a society? Were we debating this bill in the British House of Commons a few years after the Magna Carta in 1215 maybe that would be possible. Some years from now when someone dusts off the old pages of *Hansard* they will wonder in what century we were living when we considered ourselves modern, compassionate people, yet this is what we were saying. I cannot agree with that.

It has been said today by the proponent of the bill and I know I am paraphrasing, that the Hippocratic oath is perhaps outmoded.

Here is what it said. The Hippocratic oath said in part: "I will give no deadly medicine to anyone if asked, nor suggest such counsel."

The modern day Hippocratic oath was adopted in 1947. It is called the Declaration of Geneva. The Declaration of Geneva says: "I will give no deadly medicine to anyone, even upon request, nor suggest any such counsel." That was said in 1947, not 400 B.C. like the Hippocratic oath. It is equally true today.

One of our colleagues, a medical doctor, a specialist in paediatrics and child health, a professor of medicine and a member of Parliament for Winnipeg North, said earlier today and I asked him to write it down for me so that I could quote him in the House: "This bill violates the inherent and paramount principle of medical ethics, not to will or intend the death of a patient even when they wish it for themselves. I believe as well that life becomes even more precious when there is little left to live."

I share those views but I also am very concerned about what this bill could mean, or any other bill like it, for people who have reached a certain age in life.

I was party to a conference in British Columbia a number of years ago at which a physician by the name of Dr. Will Johnson spoke. Dr. Johnson said the following about what happens now in Holland. I quote from his speech: "What has this practice done to the concept of trust? Rumours abound. One psychiatrist muses that he has a choice of two nursing homes for his elderly patient. One of the homes he feels is involved in fairly aggressive euthanasia of the demented elderly, and he says 'my patient would not last half as long if I sent her there.' It has become common knowledge that some physicians take the initiative 'you really ought to go to hospital now or I could just give you an injection.' Given widespread fear of hospitals and ignorance of the effective palliation that is available, this ominous scenario is now complete."

Let me quote the following before I end. Again, from Dr. Johnson's speech: "In one published case, the Dutch general practitioner was called to a patient's home and meeting her for the first time, immediately asked her to choose between hospitalization and euthanasia. When the stunned patient could not reply, he gave her one hour to think it over."

We are debating this bill for one hour today. Let us think it over. If there is only one mercy killing I want to do right now, it is to kill this bill immediately and put it out of its misery. Let us forget about this kind of nonsense. There is Bill C–203 on the Order Paper and I do not think I can agree with it either. It is with respect to the living will. We are not talking about the matter of the living will in any case today. What we are talking about is state legislated murder.

I cannot agree with those who say that we preserve human life by killing human beings and that we accept death as part of life. Death is not part of life, it is the end of life.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. DeBlois): The parliamentary secretary, on a point of order.

Mrs. Bourgault: Mr. Speaker, I would appreciate it if you would answer a question in connection with this bill. Since it is 6.40 p.m, and considering that during Private Members' Business the bill must be debated for an hour, if I am not mistaken—unless the Standing Orders have changed—will there be a vote?

The Acting Speaker (Mr. DeBlois): Order, please. This is not a votable motion, according to the information I have just been given.

Since no other members wish to rise on this motion, the period set aside for consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 6.40 p.m, this House stands adjourned until 10 a.m tomorrow morning, pursuant to Standing Order 24(1).

The House adjourned at 6.42 p.m.

HOUSE OF COMMONS

Friday, October 25, 1991

The House met at 10 a.m.

Prayers

[*Translation*]

BUSINESS OF THE HOUSE

ACT TO PROVIDE FOR THE CONTINUATION OF POSTAL SERVICE

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I would like to table a motion in the House, and I want to ask unanimous consent for the following:

[*English*]

That, notwithstanding any Standing Orders and usual practices of this House, on Monday, October 28, 1991 at 12 p.m., the House shall proceed with the daily routine of business under heading Introduction of Government Bills and that a bill placed on the Order Paper on October 23, 1991 in the name of the Minister of Labour entitled an act to provide for the continuation of postal service be introduced, read a first time and deemed printed;

That immediately thereafter the House proceed under Government Orders with a debate at all stages of the said bill;

That the said bill be deemed completed later that same day;

That this order shall be rescinded if the Minister of Labour or government House leader rise from their seat at any time during daily proceedings on a point of order and advise the House that the employer and employees of the postal service have come to a mutual agreement.

Mr. Rod Murphy (Churchill): Mr. Speaker, in conversations with the Liberal critic and the Minister of Labour I think the Labour Minister knows that we will not agree to passage of all stages on Monday.

We have agreed, in order for the parties to get together today, Saturday and Sunday, that we would waive the usual notice and would allow the second reading debate to start on Monday. If the parties have not come to agreement or if we are in a situation where the parties come to us and say that they need more time to settle the dispute, we may again hold off the actual commencement of this debate. But there is no way that we would agree to passage in all stages on Monday of a bill that we have not seen. That just cannot be done.

The reason we are allowing or are willing to allow that we would start second reading on Monday is that we do not want any of the parties to see the legislation. We want them to be spending their time, their efforts, their emotions, their thoughts on negotiating over this weekend. If either party saw the legislation, they may decide that that would be better for them than actually negotiating.

We are holding off looking at the legislation, but we are willing to commence second stage reading if the minister finds that it is necessary.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I think my colleague has reflected the consensus that was reached among the various parties. But just to be crystal clear, which I am sure the minister would want all members to be, we would concur with commencing the second reading of the bill in question on Monday.

• (1010)

However, if the parties are progressing with the various outstanding items and the parties so indicate to the minister and to the respective representatives of the party, I do not believe it would be necessary to proceed with the legislation on Monday.

In fact it would perhaps be inappropriate to proceed while negotiations are progressing. The minister should clearly understand that we would have to deny forthwith all stages of the bill on Monday but would be prepared to commence second reading on Monday if in fact the parties in the postal dispute indicate that there has been a breakdown and no possibility of resolving the dispute.

[*Translation*]

Mr. Danis: Mr. Speaker, in that case, I would like to table the following motion:

[*English*]

That, notwithstanding any Standing Order and usual practices of this House, on Monday, October 28, 1991 at 12 p.m., the House shall proceed with the daily routine of business under the heading Introduction of Government Bills and that a bill placed on the Order Paper on October 23, 1991 in the name of the Minister of Labour entitled an act to provide for the continuation of postal service be introduced, read a first time and deemed printed;

That immediately thereafter the House proceed under Government Orders with the debate at second reading of the said bill;

That this order shall be rescinded if the Minister of Labour or government House leader rises from their seat at any time during daily proceedings on a point of order and advises the House that the employer and employees of the postal service have come to a mutual agreement.

I am sure, Mr. Speaker, you will find unanimous consent for this motion.

Mr. Dingwall: Mr. Speaker, that particular motion is fully in line with the understanding we have with respect to the motion.

Mr. Murphy: Mr. Speaker, in order not to delay things, we agree with that particular wording. It is the understanding that we have.

Again we would urge the minister to review the situation on Sunday night and Monday morning, to talk to the two parties and, if it appears that the two parties are very close to an agreement, not to start the legislation Monday but perhaps Tuesday or later in the week if it is still necessary.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. While the Minister of Labour is in the House I am wondering if he might indicate, since it concerns the postal strike and that subject matter, whether he intends later this day on ministerial statements to provide Parliament and to provide the country as a whole with the contents of the report which I presume Mr. Justice Gold has filed with him.

An hon. member: Ask your question.

Mr. Dingwall: This is not Question Period. We are talking about business of the House.

I wonder whether or not the minister would like to table that report. If there is no report, would the minister be prepared to indicate to the House what his conversations with Mr. Justice Gold were concerning the postal? Would he share that with members of Parliament?

Mr. Danis: Mr. Speaker, this sounds like Question Period. I can tell the hon. House leader of the Opposition that I did not receive any written report from Mr. Justice Gold. He never discussed with me the contents of the negotiations or mediation between the parties.

However, last night I had long discussions with both Canada Post and the union on the outstanding issues in dispute. I do intend today to brief, on a confidential basis, the critics for the Official Opposition and the New Democratic Party.

In the public interest and not to hurt the negotiations that are going on this weekend, I think that should be done and that is the only thing that should be done at this time, until the end of the weekend.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair has been very lenient, and I would appreciate the co-operation of the House Leader of the Official Opposition.

[*English*]

Mr. Dingwall: Mr. Speaker, if you review the record I think you will see that we have been giving co-operation to a very serious matter which the minister has wished to proceed with. I want to thank the minister for his undertaking here today that in fact he will meet with representatives of my party, the New Democratic Party, to give them a full and comprehensive briefing in terms of the verbal report that he has received from Justice Gold as to why mediation services have broken down between the two parties.

GOVERNMENT ORDERS

[*English*]

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1991

MEASURE TO AMEND

Hon. Pierre H. Cadieux (for the Minister of Justice) moved that Bill C-35, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of non-controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect, be read the second time and referred to Legislative Committee G.

He said: Mr. Speaker, I think that the title of the bill sort of explains what the bill is all about, so very briefly I will give an indication of what it is. As the title says, the Miscellaneous Statute Law Amendment Act, 1991 will give effect to the 1990 proposals for a miscellaneous statute law amendment bill tabled in both Houses of Parliament on February 15, 1990.

The proposals are part of the miscellaneous statutes law amendment program that is an ongoing means of correcting anomalies, inconsistencies, archaisms and errors in federal statutes and of repealing federal enactments that have expired, lapsed or otherwise ceased to have effect.

Those proposals were referred to the Standing Committee of the House of Commons on Justice and the Solicitor General which reported on them on June 13, 1990. They were then referred to the Standing Committee of the Senate on Legal and Constitutional Affairs in June 1990 and the Senate committee reported on them in February 1991.

[*Translation*]

Mr. Speaker, the proposed amendments, now embodied in Bill C-35, are proposals that were approved unanimously by both the Senate Committee and the House Committee.

Perhaps I may advise hon. members that after second reading, I intend to ask unanimous consent for proceeding immediately with Committee of the Whole and third reading.

[*English*]

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am happy to be able to participate in this debate on second reading of Bill C-35.

I want to say at the outset, Mr. Speaker, since you have been the one who raised the issue of co-operation from opposition members of Parliament, that Bill C-35 was discussed at House leaders' meetings. We did not believe that we would be proceeding with it today. In fact it was indicated quite clearly that we would be proceeding with the motion with regard to conflict of interest.

However, the government has the right to change the agenda, which it has in this particular instance, and the minister quite rightly has alluded to the chronology of events surrounding the contents of Bill C-35.

The bill itself is a miscellaneous bill affecting a good number of statutes which I will read into the record momentarily. However, I wish to inform members that this is kind of an unusual procedure, unusual in the sense of previous occasions when a miscellaneous statute of this particular magnitude has come forward as it has in previous Parliaments and sessions. It has been customary that there would be a pre-study of the bill by members of Parliament so thereafter, when the minister would come into the House and ask to go to Committee of the Whole, leave would be granted. When he would ask to go on to report stage, third reading, to wrap the bill up, co-operation was always forthcoming.

• (1020)

That is the way it has operated in the past but that is not the way it is operating today.

We have indicated that we would not be able to proceed with this particular bill today, but nevertheless the government has decided to stick with its agenda and bring forward this particular bill.

The bill deals with numerous technical amendments to more than 90 statutes that cover—

An hon. member: How many?

Mr. Dingwall: Ninety federal statutes that cover virtually every facet of the Government of Canada. That is a sizeable number of statutes.

The legislative committee must take care on this bill. However there is very little to be said at second reading except for some of the points that I wish to make. I think I have unlimited time. I do not know if I will go on for a day or two or three. I think it important that we place certain things on the record which are of some importance to those of us on this side.

We will probably want to have additional speakers as we progress into the committee stage. Then it comes back from the committee on the report stage and then we go into third reading. Probably before Christmas there will be an opportunity for us to meet in this House and make a final adjudication on Bill C-35.

This is a breach of the traditions of this House. Mr. Speaker, I am sure you would want me as an individual and as an opposition House leader to stand in this place and attempt to support the important traditions of this House, which we believe to be very important.

There are a number of amendments. One of the amendments that I wish to draw to the attention of the House, and I am sure the minister opposite would want to concur if not necessarily with the amendment itself but perhaps with my remarks following this particular amendment.

Section 9, headed the Atlantic Canada Opportunities Agency Act, says:

> 9. The heading preceding section 21 of the *Atlantic Canada Opportunities Agency Act* is repealed and the following substituted therefor:

And then:

> 10. Subsections 21(2) and (3) of the said Act are repealed and the following substituted therefor:
>
> (2) The President shall, on or before September 15, 1993 and every five years thereafter, submit to the Minister a comprehensive report, in addition to the annual report of the Agency, providing an evaluation of all activities in which the Agency was involved and the impact those activities have had on regional disparity.

I am somewhat surprised when I hear the Minister for the Atlantic Canada Opportunities Agency, the Minister of Public Works from Central Nova, and the Minister of Employment and Immigration from the province of New Brunswick refer to the Atlantic Canada Opportunities Agency as being—as they say in news reports and in their public musings with small business and everyone else—the panacea to correct the regional inequalities and disparities within the region.

I have to ask myself if it is such a positive vehicle for positive change why do you only want to tell us every five years? Why would you not want to tell us every year about the wonderful workings, the tremendous contribution of the Atlantic Canada Opportunities Agency? Why? Why would you wait five years? Perhaps the minister cannot prepare a report on an annual basis. There is an annual report. I will read the bill again for your understanding, Mr. Speaker, because I know that you are as concerned as I am with the efficiency and effectiveness of the Atlantic Canada Opportunities Agency. The bill says:

> The President shall, on or before September 15, 1993 and every five years thereafter, submit to the Minister a comprehensive report, in addition to the annual report of the Agency.

An hon. member: Maybe it is not as good as they have been telling us.

Mr. Dingwall: Mr. Speaker, did you hear that? One of my colleagues said: Perhaps the reason why they would not want to do it, say every second year or every third year, is that they do not have anything positive to report.

That would be very different. That is very different from what we are hearing from the Minister for the Atlantic Canada Opportunities Agency, the Minister of Employment and Immigration, and the Minister of Public Works. I do not know who to believe.

I want to say that I am leaning very heavily toward the comments of my colleague who happens to reside in the great province of Prince Edward Island.

I am leaning. I might get there. I might have a conclusion which will be obvious to each and every one of us in the House.

Just the other day the 1991 annual report of the Atlantic Canada Opportunities Agency was released and it said: "During 1990 the economy of the Atlantic provinces hosted a surprisingly good performance, despite the recession". Wasn't that wonderful? I did not hear from the minister. I did not hear from the member for Central Nova.

I want to talk about the member for Central Nova, the Minister of Public Works, because he is a leading figure in Nova Scotia politics. He is a dear and close personal friend of the premier of Nova Scotia, the hon. Don

Cameron. They have done a phenomenal job in the province of Nova Scotia.

Unemployment in many regions of Nova Scotia is at an unprecedented high level. Youth unemployment is at an unprecedented high level. The Lingan mine in my own district is closing down. The port of Halifax and centres for women are closing down. Workers at Sydney Steel have no bridge programs in order to benefit them and their families who are suffering as a result of lay-offs. That has been a dismal performance by the hon. member for Central Nova. He ought to be ashamed of himself, for allowing this kind of gobbledegook about the Atlantic Canada Opportunities Agency while sitting in the federal cabinet.

I say that because the member for Central Nova, the Minister of Public Works, was the former Minister for the Atlantic Canada Opportunities Agency. Imagine saying "a surprisingly good year" as if there were no problems in Atlantic Canada. Bankruptcies were revealed today and 56,000 Canadians have had to file for bankruptcy in this country. I am surprised, if we are doing so well with the Atlantic Canada Opportunities Agency, that the government would have to wait for five years to give a comprehensive report telling the people of Atlantic Canada what a great job it has been doing for Atlantic Canada.

In my view the ministers and officials at ACOA have glossed over the the disturbing economic statistics in the period covered by its own annual report which shows that high interest rates and the high dollar policy of this government are dragging down the regional economy. There are significant increases in bankruptcies, higher unemployment throughout the region, startling declines in growth in forestry related industries, and an over-all decline in investment expenditures. That is the reality.

• (1030)

I am trying to discuss the public relations of the Government of Canada which it tries to slip into Bill C-35. We are told in Atlantic Canada, as my colleague from Charlottetown would gladly attest and support, that this agency, the panacea for rectifying regional disparities in this country, is doing a phenomenal job. In the legislation, tucked in with 90 other federal statutes, it says that the government is only going to give the people a comprehensive report every fifth year.

Perhaps there may be an election in that period of time which we on this side look forward to with great anticipation, as I am sure members opposite also look forward to it. This agency, which will now make a comprehensive report in accordance with this particular statute every five years, has had some very dismal failures. It has had some successes but to suggest and imply that this particular agency has fulfilled its stated legislative mandate is beyond comprehension and is not acceptable to those of us who live in Atlantic Canada.

This agency has been approached by numerous groups for funding only to find that the criteria has changed. Its agencies in many parts of the Atlantic region have been a dismal failure.

The hon. member opposite, who is in the Chamber today, may disagree with what I say. I can well understand that. The fact of the matter is that the four Atlantic premiers, including the Tory premier of the province of Nova Scotia who happens to be the dear friend of the minister from Central Nova, have all concluded that the effectiveness of the Atlantic Canada Opportunities Agency is certainly not what the ministers who sit on the benches opposite, representing Tory ridings in Atlantic Canada, have been telling the people in that region.

We have gross, and I underline the word gross, unemployment in Atlantic Canada. The fisheries industry is on its knees. Employees of the steel industry have had to resort to what many have termed civil disobedience to get any kind of attention whatsoever from the powers that be both at the provincial and federal level. The Atlantic premiers, one of them a Tory, have all commented on the ineffectiveness and the major shortcomings of the Atlantic Canada Opportunities Agency.

When I read "every five years" and then hear the ministers say that it is the panacea, I say to myself: "That is double talk at its best. Perhaps some would even say hypocrisy at its best". I would not say that, but there are individuals in Atlantic Canada who would say that it is hypocrisy at its best.

This is a sham. What the Government of Canada is trying to do to those of us in the Atlantic region through Bill C-35 is a sham.

I have read the recent speech of the president of the Atlantic Canada Opportunities Agency where he talked about the importance of tourism. Those of us who reside in the Atlantic region and those of us who represent constituencies in the Atlantic region know full well that tourism in P.E.I., Nova Scotia, New Brunswick and Newfoundland is indeed an important aspect of our economy. I would hope that when the comprehensive report is tabled before Parliament on the fifth anniversary thereafter in 1993, it would clearly spell out what the GST and the proliferation of the Tory taxes have done for tourism in Atlantic Canada. Individual operators in Atlantic Canada, whether they operate a motel, a small restaurant or some other commercial enterprise, will clearly say that the proliferation of almost 32 Canadian taxes by the government opposite, along with the GST, has taken a terrible toll on those operators in Atlantic Canada.

Tourism is down significantly among private operators and private entrepreneurs in my own region in Atlantic Canada, according to the Cape Breton Tourism Association. Jobs are fewer, the investments are down and the infrastructure is down. There is a substantial gap in the Atlantic economy.

I underline the significance of what we are debating here today. It is very important that these things be brought to the attention of Mr. Speaker and to members of the House.

I have countless constituents, and I know of many others, in Atlantic Canada who have come forward to the Atlantic Canada Opportunities Agency to seek funding and assistance, only to be turned down for a variety of reasons because they do not fall within the criteria. The criteria have changed. I am sure that the president of the Atlantic Canada Opportunities Agency has said that the criteria have changed because we have done consultations and our constituents have asked for that. I think in part that is correct, but the fact of the matter is that ACOA, as the leading federal institution in Atlantic Canada for economic development, has not been fulfilling its mandate to the people of Atlantic Canada.

Tourism is one example. You cannot operate in isolation. You cannot have ACOA providing small sums of moneys to small businesses in that region of the country on the one hand and then on the other hand the Minister of Finance, through the proliferation of taxes, draining Canadian citizens in that particular region. This makes it very unfavourable for Canadians to travel domestically to that region or indeed other regions of the country. I think of western Canada and in particular our neighbours to the south.

Now I understand. I understand why the government wants to give a comprehensive report only every fifth year. I understand, because what the minister says, what the ministers infer is very different from what is actually happening in Atlantic Canada. Is ACOA going to make a comment on transfer payments when they file in accordance with section 10 of Bill C-35? Is it going to comment in a comprehensive report in addition to the annual report of the agency, providing an evaluation of all activities in which the agency was involved and the impact those activities have had on regional disparity?

• (1040)

I will bet my bottom dollar that they are going to duck it. They are going to duck the issue. They do not want to stand up and talk about those programs of the Government of Canada and how the Atlantic Canada Opportunities Agency interfaces with those other agencies.

I will give another example. I talked about tourism. Let me talk about another one. Let me talk about unemployment insurance. This is a government that brought in Bill C-21. It told the people of Canada it was going to do all sorts of wonderful things. That has not materialized at all.

It told us in Atlantic Canada that the Government of Canada was moving out of the tripartite social contract that had been a fabric of Canada for a long time. The employee, the employer and the Government of Canada were all making contributions to the unemployment insurance fund which would be disbursed to individuals who through no fault of their own were either laid off or could not find meaningful employment.

The federal government has bowed out of that contract and has left the employees and the employers to themselves. We were promised in 1989 by the predecessor to the Minister of Finance that there would be no increases in the premiums for unemployment insurance. The fact is that the premiums went up 25 per cent. On January 1, 1992 they are going up another 5 per cent.

There are a good number of individuals out there who have commented. They now envisage that because of the job dislocation from the policies of this government and because of the high unemployment which will continue, other individuals will make applications for unemployment insurance. This will necessitate a further increase in premiums for the employer and the employee. It will further erode the confidence of small business in Atlantic Canada. It will cause further havoc to employees who are paying those premiums. The Minister of Finance could not give us a straight answer yesterday as to whether or not he would concur with an increase in the unemployment insurance premiums.

Will the Atlantic Canada Opportunities Agency, which interfaces with all of the other agencies of the Government of Canada, give its comprehensive report? Will it speak to the issue of small business in Atlantic Canada and what its programs have done to small business in Atlantic Canada with the proliferation of the 32 taxes and the increase in the premiums for unemployment insurance? They cannot take it any longer.

If you are a motel operator in Souris, Prince Edward Island, if you own a restaurant in Glace Bay, if you have something in Restigouche, New Brunswick or in Corner Brook, Newfoundland, then that is a commercial enterprise. When you are a small business you are living from month to month or, still worse, from week to week. A further increase in premiums will cause undue significant harm to those small businesses which are operating. We all know because we have small businesses that are operating on a shoe string in every community in the country.

But, no, clause 10 of this bill says ACOA will report only every fifth year with a comprehensive report. I have to agree with those individuals in Atlantic Canada who from what the minister is saying in Atlantic Canada and from what this particular bill says call this hypocrisy. It is not fair or appropriate in the circumstances.

That is a second issue with respect to the Atlantic Canada Opportunities Agency. If it is doing so well, why not run to the finish line? Why not have the comprehensive report every second year to tell the people of Atlantic Canada what a fantastic job is being done?

Every year they are going to file an annual report. The annual report has some information in it. There is no question about that. The comprehensive report, as alluded to in this particular clause of Bill C–35, is of paramount importance to those of us who reside in Atlantic Canada.

I want to talk about another aspect of the Atlantic Canada Opportunities Agency and the fact that it will be reporting every fifth year. Those of us who reside in Atlantic Canada understand that the role of the state cannot mean everything to everyone at any given time. We do understand that the state has a role to play. One of the things that we have argued vigorously and consistently is the fact that those of us in Atlantic Canada are without a significantly high quality public infrastructure to sustain the quality of life in Atlantic Canada and to urge economic opportunities in that region.

I take for example the province of New Brunswick. The province of New Brunswick has been making the request of the Government of Canada to participate in what we now know, and what we have known for a good number of years, is a renewed highway strengthening agreement. Roads, which are a basic tool of infrastructure, a basic tool of transportation, could be upgraded to meet the standards that we now understand to be important for 1991. But the Government of Canada and the Atlantic Canada Opportunities Agency said: "Our mandate really does not cover that. You will have to do that through a special agreement between the province and the feds".

It has never come about. They have been asleep at the switch. ACOA's response is: "That is not our mandate. That is not part of our function. We cannot do that. We do not have the wherewithal. We do not have the monetary sums to expend on this type of program".

I have been asking the federal government in co–operation with the provincial government to extend what is best known as the Fleur–de–lis trail. It is a very picturesque route in Nova Scotia which my colleague from Montreal, the hon. member for LaSalle—Emard who has visited with me on several occasions, has travelled on. Even he, although a colleague, had to admit that this was a very scenic route and there was an obligation certainly by the Government of Nova Scotia and the Government of Canada to provide money. I do not mean oodles and oodles of money, as the hon. member from Toronto would lead us to believe, but a sum of money

which would provide the basic necessities which other communities in the country have come to realize.

ACOA cannot fund it. It does not have any money. It has to go to cabinet. It is not tied into any federal-provincial agreement. It does not have it.

What did it do in Prince Edward Island? It took away VIA Rail. It took away the tracks. What kind of compensation did it give to the people of Prince Edward Island? Not a nickel.

It took away the tracks in Newfoundland. It provided some compensation, but not nearly enough in view of the fact that the province of Newfoundland is a picturesque province. It is almost as nice as Cape Breton. It is in second place. I know you would want to agree with that. It too needs the basic necessities of infrastructure in order that it has the proper transportation routes to move its products to market and that individuals have mobility within the communities. When I read that ACOA is only going to report every fifth year the hidden agenda becomes very obvious, that is that the success rate of ACOA has not been what the ministers have alluded to in the past. It is not likely to achieve that kind of success because there is no political will on the front benches to see it through.

• (1050)

An hon. member: There is nobody on the front benches.

Mr. Dingwall: Precisely. My colleague from Toronto says there is nobody—I did not make reference to it, Mr. Speaker— on the front benches. I agree with him. They may be here, but they are not all there as I am sure the hon. member would want to agree.

ACOA could provide assistance to those of us in the Atlantic region. It could provide assistance to small business. It could interface with other agencies. However there is no political will. You cannot make something happen if you do not have the political will to do it. The minister for ACOA fought tooth and nail for many weeks to get a fisheries aid package for fishermen in Newfoundland. Fishermen said: "Too little, too late". That is what they said. The farmers in western Canada said that too.

I know the Secretary of State who is, being the reasonable gentleman that he is, on the wrong side of the House. We will allow that for the time being and change that very soon in 1992, and relieve him of his pain and suffering. The fact of the matter is that the minister who also occupies the portfolio of Minister of Fisheries and Oceans was told very clearly by union representatives: "Too little, too late".

It goes on and on in the fisheries. Let us talk about the steel industry for a moment. There are 600 individuals in industrial Cape Breton who are presently on unemployment insurance due to run out very soon. As a result they will have to go on welfare to provide some dignity and some semblance of respect for their families and themselves.

The Government of Canada and the Minister of Employment and Immigration have not been of any assistance in this regard. However in fairness to the federal government—and I want to be fair as I always am—it is the provincial government, Tweedledee, and the federal government, Tweedledum, who have not shown the initiative to put forward a package which would be of some assistance to those steel workers displaced at Sydney Steel. It is they who have fallen down. As my colleague from Cape Breton—The Sydneys has said time and time again, the Government of Nova Scotia is acting in concert with the federal government to deny Canadians in his constituency and throughout industrial Cape Breton the economic opportunity to provide for their families.

What is even more ridiculous is that the feds are going to pay anyway. They are going to pay anyway. Why? Because the feds contribute 50 per cent of the welfare costs. We are going to pay them the other way so why can the government not be somewhat creative, somewhat innovative and provide a work program. Many programs are needed in industrial Cape Breton, picturesque as it is.

An hon. member: Oh, oh.

Mr. Dingwall: I did not hear what the hon. member said, but I want to tell him that if he has suggestions to make on how we can do that I invite him to the steelworkers' union hall. I invite him to lead the charge for the Prime Minister and the hon. member for Etobicoke Centre and others. I will introduce him and he can announce to all the steel workers, all the people of industrial Cape Breton what a wonderful program and idea that he has to provide an economic opportunity for those individuals who have been displaced. I will give

him that opportunity. I want to thank the hon. member for that and we will duly forward him the appropriate letter in order to invite him to Cape Breton to make that kind of announcement.

He has a relative in Cape Breton. Aren't we lucky? I welcome the member back to the island of Cape Breton.

It goes on and on and on. Mr. Speaker, I see that you are giving me a few moments. I could speak for days and I know that members on this side would want me to speak for days.

Some hon. members: Keep it up, keep it up.

Mr. Dingwall: I want to say in the two minutes that I have before we proceed with Standing Order 31 that this is a terrible scam, a terrible scam. Think of the people, think of the human suffering, think of the despair, think of the denial of hope in that particular region of the country. Some members opposite may find it amusing. I do not find it amusing at all. My colleague from Cape Breton—The Sydneys, my colleague from Charlottetown, and my colleagues from Newfoundland and Prince Edward Island and New Brunswick and other parts of Nova Scotia see the economic devastation that the policies of the government opposite have inflicted on Atlantic Canada every day that they travel in the Atlantic provinces.

I would hope that in due time we will have an opportunity to change some of those policies. Have no illusions. It will not be easy for any new government to change what this government has done in Atlantic Canada. We will provide the hope, we will provide the political will, and we will work with the business community in Atlantic Canada. We will work through the various agencies in Atlantic Canada. We will interface with the appropriate provincial, municipal and federal departments to put together a plan to provide economic opportunities in that region of the country.

I see that my time has expired, Mr. Speaker. I hope that you will give me an opportunity when we come back at twelve o'clock to continue on with the short remaining remarks that I have. I know that you will want to see this bill debated quite vigorously on second reading, when it goes to committee and when it comes back to the House on report stage and third reading.

I wish to reserve my time for twelve o'clock if that is the guidance that I get from the Chair at this time. Is my time completed?

[*Translation*]

The Acting Speaker (Mr. DeBlois): I may remind the Leader of the Opposition that the first two members to speak are allowed a maximum of 40 minutes, and his time has therefore expired. Resuming debate. The hon. member for Prince George—Bulkley Valley.

[*English*]

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I know we just have a minute or two before we start statements so I would like to give notice, through you to the government, regarding the request we had from the minister concerning debating Bill C-35, this omnibus bill, that we cannot give unanimous agreement to go into Committee of the Whole on this bill today. It is 120 pages of proposed amendments. I will be pointing out a number of questions that I think should be raised and I do not think Parliament should move so quickly on a bill that is so detailed without a closer examination in committee. We will be making those points in debate after Question Period today.

Madam Deputy Speaker: It being eleven o'clock a.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

• (1100)

[*Translation*]

INTERNATIONAL FILM FESTIVAL IN ABITIBI-TÉMISCAMINGUE

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, tomorrow in Rouyn-Noranda is the opening night of the Tenth International Film Festival in Abitibi-Témiscamingue. On its tenth birthday, the festival will screen more than 82 films from 20 countries and showcase an impressive array of actors and actresses.

Quite frankly, Madam Speaker, ten years ago few people thought that what initially was quite an adventurous proposition would, over the years, become an event of such impressive scope and quality.

Congratulations to an outstanding team headed by Mr. Jacques Matte and to the people of Abitibi–Témiscamingue, who have constantly supported and promoted the festival. Film buffs—make it a date in Rouyn–Noranda from October 26 to October 31!

* * *

[*English*]

FISHERIES

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, recently the Minister of Fisheries and Oceans announced almost $40 million in aid to fisheries in Atlantic Canada. However, the minister forgot something important in the package.

He forgot Prince Edward Island. All of Atlantic Canada except P.E.I. received aid because of the disaster in the fishery. Fishermen on Prince Edward Island also need help. Many groundfishermen I know are in severe trouble and may lose their boats.

Prince Edward Islanders are part of Canada and deserve a fair share of the government's assistance. This is just another example of how this government is ignoring Prince Edward Island.

According to figures provided by the government, P.E.I. has received less than $150,000 from the $584 million aid package announced last year.

I suggest that the minister look at the map and realize that P.E.I. is part of this nation and its fishery needs aid.

* * *

TAXATION

Mr. Garth Turner (Halton—Peel): Mr. Speaker, taxes in Canada are too high in order to encourage consumer spending and business investment. They ought to come down.

This is one of the reasons I wanted to come to this place, to try to influence policies that would lead to lower taxes but there is more than trying to foster a tax revolt inside and outside of Parliament.

The greater goal is to eliminate the reason why we have high taxes, and that is Canada's debt. If it did not exist, taxes could be lowered by $40 billion a year without affecting spending on government programs.

A newspaper report today paints me as a frustrated backbench MP demanding lower taxes, and this is not true. I demand a lower deficit, a reduced debt and then in the long term, lower taxes. To adopt any other position would be irresponsible.

* * *

TAXATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, many members will know that the Income Tax Act contains a number of flagrant and abusive discriminations that I want to draw to the attention of the House.

If a mother or father stays home to raise a child as opposed to one who goes out to work, there are income tax deductions for that person who goes out to work.

With respect to married and unmarried couples, the unmarried couples get more deductions than the married couples. I am not seeking to lower the deductions for those who enjoy them. Clearly, that would be unfair as well.

What I am seeking, however, is fairness and some equity with respect to these two cases and any other cases where there are abuses.

* * *

FORESTRY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, as previously announced by the Minister of Forestry, today marks the closing deadline for letters of intent to be filed by prospective applicants for participation in Canada's model forest program.

This competition to select and establish a network of between six and nine model forests across the country will conclude with final proposals due on December 20 and final selection decisions by the government on or before June 1, 1992.

I am very pleased to confirm that intent has formally been declared for the Nashwaak Valley area of New Brunswick to become one of Canada's model forests, and certainly the watershed of the Nashwaak River does

reflect the broad diversity of values to be found in the typical forests of eastern Canada.

It is an area not only rich in most species of hardwood and softwood trees, but is also abundant in wildlife, fish and water resources.

As well, this valley is totally accessible and fully utilized by citizens of New Brunswick for recreational purposes. Not the least of its qualifications for model forestry status is a wide variety of forest land ownership which exists there ranging from large industrial to small private woodlots, all within the application of the New Brunswick Crown Lands and Forest Act which arguably remains the foremost forest management legislation in Canada.

Madam Deputy Speaker: I am sorry, the hon. member's time has expired.

* * *

HANFORD NUCLEAR RESERVATION

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, just 300 kilometres south of the B.C–Washington border lies the soiled heart of the Hanford Nuclear Reservation, a legacy of the cold war which has become one of the most contaminated spots on the face of the earth. The release in 1986 of classified military documents has revealed decades of intentional and accidental release of airborne radioactive contamination which travelled throughout the Pacific northwest, including Canada.

Growing evidence of thyroid disease and elevated levels of thyroid and other cancers among populations exposed to the releases of radioactive I-131 has prompted two U.S. studies. Here in Canada, B.C. medical authorities and the Canadian Medical Association have urged the Mulroney government to join these studies to determine the level of risk to Canadians. The government's response has been appalling. Without any epidemiological data to support it, the government simply contends that there is no cause for concern.

It is easy to conclude there is no problem when you do not even bother to look. Residents of southern B.C. and Alberta deserve to know whether or not they have been put at risk.

S. O. 31

CANADA SCHOLARS

Mr. Pat Sobeski (Cambridge): The minister for science announced the names of 3,200 New Canada Scholars for 1991–92. Twelve of these scholars are from the federal riding of Cambridge.

These 3,200 New Canada Scholars are joining the ranks of more than 4,000 established Canada Scholars who are already pursuing studies in mathematics, engineering and natural sciences.

Canada scholarships are worth $2,000 annually and can be renewed up to three times for a total value of $8,000 to each student. A Canada scholarship holds more than its monetary rewards, it brings prestige, recognition and career opportunities to the recipients.

The Canadian government has pledged $80 million to this program. Today's Canada Scholars are tomorrow's scientists and engineers.

I would like to take this opportunity to extend congratulations both to the new and continuing Canada Scholars. I wish them every success in meeting the challenge of being a Canada Scholar.

* * *

NEWFOUNDLAND ECONOMY

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I want to register in this House the serious economic conditions of many of my constituents in the riding of Bonavista—Trinity—Conception.

Despite the provincial and federal aid packages, which unquestionably have been helpful, there are still many whose earnings are less than $100 a week, well submerged below the poverty level, those whose dignity has been shattered and whose hopes for the future have all but been dashed.

I call on this government to reassess its Atlantic catch failure package with the goal of providing better subsistence for those Newfoundlanders whose fortunes have flagged in these extraordinarily tough economic times.

S. O. 31

[*Translation*]

EMPLOYMENT CENTRE IN JONQUIÈRE

Mr. Jean-Pierre Blackburn (Jonquière): Madam Speaker, today I have a special message for the people of Jonquière.

Tuesday, a number of people went to the Employment Centre to apply for jobs at the Jonquière Tax Centre. At eight o'clock in the morning there was a long line of people in front of the Employment Centre, and some people did not have a chance to submit their application.

They were critical of the process, so I asked the authorities at the Employment Centre and the Jonquière Tax Centre to reassess their procedures when offering employment.

Transparence and equity are important, and we will do what is necessary to take appropriate corrective action, in the best interests of all concerned.

* * *

[*English*]

INDIAN AFFAIRS

Mr. Rod Murphy (Churchill): Madam Speaker, I want to bring to the attention of the House a disturbing issue concerning the delivery of sewer and water services to Canada's Indian reserves.

Many of us know that most reserves have high unemployment rates, as high as 85 and 90 per cent and many are dependent, unfortunately, on welfare.

Their native children commit suicide at seven times the national rate and many young native men and women stand a better chance of going to jail than university.

Members may not know that many native communities do not in this day and age enjoy the kinds of things others take for granted, running water, hot showers, flush toilets, washing machines. Without these necessities the economic health and environmental problems on reserves will continue.

Despite recent agreements that are resulting in water and sewage systems being installed in native communities, native people are still being asked to pay for the hookup of these systems.

This may seem very reasonable in most situations, but in communities with 85 and 90 per cent unemployment, this is a fiscal impossibility. I call upon the government to provide—

Madam Deputy Speaker: Order, please. The hon. member's time has expired.

* * *

HUMAN RIGHTS

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, John Ross Taylor, the leader of the Western Guard Party was ordered by the Human Rights Commission to disconnect the telephone answering machine which was used to spread hatred against various ethnic and racial minorities. This case was appealed to the Supreme Court of Canada and Mr. Taylor's one-year conviction was upheld. It is difficult to understand why the Human Rights Commission waited for over seven months to proceed with the process to have Mr. Taylor incarcerated.

• (1110)

The Human Rights Commission often times complains that it does not have the teeth to fight the promotion of hatred. Here it had the teeth and waited too long to use them.

* * *

WHITE RIBBON AGAINST PORNOGRAPHY WEEK

Hon. John Bosley (Don Valley West): Madam Speaker, I rise today to ask members of the House to join in recognition next week of White Ribbon Against Pornography Week.

The national group Citizens for Decency has set aside the week of October 27 to November 3 in order to raise public awareness of the damage caused by pornography.

We as legislators have always known we have special responsibilities, particularly to make war against those who would take advantage of children, the creation of and sale of pornography. The children particularly must never be used to enhance profit margins for unscrupulous wholesalers of pornographic material.

I have forwarded to each member and senator a white lapel ribbon so that they may show their support during this campaign next week. It is impossible to quantify the harm done to young minds from pornography, but our

collective wisdom must steer us toward protecting particularly our youth from its effects.

I urge all members to show their support by wearing their ribbon next week.

* * *

CHATHAM, ONTARIO

Mr. Rex Crawford (Kent): Madam Speaker, it gives me great pleasure to rise in the House today to commend the city of Chatham, Ontario as it tackles its economic future head on.

The Task Force on the Local Economy was set up under the able leadership of Mr. William Case. This is a city that is not going to take the recession lying down.

Chatham's auto industry and agriculture have been hit hard by the made-in-Canada recession. Many factories were closed with jobs lost forever.

They will work with the area business and labour groups and the city's Economic Development Commission to look ahead, to help our city compete now and in the future.

In the upcoming weeks, the committee will be seeking opinions of local people as an action plan is produced. They will be taking up the slack from the federal government that has abandoned its duties.

I wholeheartedly support their efforts as the city of Chatham plans for the future with confidence. Let us roll up our sleeves and get to work for the betterment of all.

* * *

SHIPBUILDING

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, Canada's shipbuilding industry has been devastated by recent economic conditions and is in its worse slump since World War II.

We must now create an investment climate which permits us to capture a greater share of Canadian and world markets for specialized vessels. We must work to meet a greater share of our domestic requirements for vessels used in defence, coastal trade, search and rescue patrol and the offshore fishery.

Was this a quote from a union or from a shipbuilding company or from the NDP? No, it was a quote from the Conservative Party of Canada which said: "A top priority of a Progressive Conservative government will be to create a more viable and prosperous shipbuilding industry". That was its campaign promise in 1984, and what has happened since? Shipyard after shipyard from coast to coast to coast has been closed by this government. It has not done anything to help the industry survive.

Other marine countries around the world assist, either through financing or through subsidies, to allow the private sector to be able to afford to buy ships built in their own country.

I call upon this government to recognize the reality of the world that it too has to assist.

* * *

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Madam Speaker, as we enter the fourth quarter of 1991, the Canadian economy is showing signs of rallying from the effects of the recession. Part of the reason for this recovery can be attributed to the free trade agreement with the United States.

Despite the high Canadian dollar, firms are taking advantage of reduction in tariffs under the free trade agreement to tap the lucrative American market.

In my riding of Sarnia—Lambton, many companies are finding the U.S. as a place to expand markets and increase revenues.

A few years ago, the Sarnia division of Esso Chemical was selling 15 per cent to 20 per cent of the polyethylene made there to the U.S. This year, reports indicate sales have increased to 40 per cent.

In 1989, Shell Canada was not exporting any polypropylene to the U.S. in 1991; 10 to 15 per cent of that production is now going to the U.S. market.

The surge in the American market is also responsible in part for a recent $12 million expansion at Esso Chemical.

As evidenced in these examples, this opening up of the American market to Canadian companies is aiding our competitive position—

Madam Deputy Speaker: Time is expired. The hon. member for Hillsborough.

Oral Questions

SUDDEN INFANT DEATH SYNDROME

Mr. George Proud (Hillsborough): Madam Speaker, the month of October has been declared Sudden Infant Death Syndrome Month. SIDS is the leading single cause of death in Canada for babies between one week and one year of age.

Sudden Infant Death Syndrome has taken the lives of an estimated 12,000 infants in Canada since 1973. Twelve thousand children are dead and have left behind grieving parents and frustrated doctors and nurses with no answer as to why these apparently healthy babies have died without warning.

The Canadian Foundation for the Study of Infant Deaths will be holding its annual National Babies Breath Conference in Atlantic Canada for the first time in 10 years. This conference will be held in Charlottetown and will provide volunteer SIDS parents and professionals alike with practice and assistance for their work with grieving families. Together we can work to find the answer and stop future deaths.

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

Ms. Sheila Copps (Hamilton East): Madam Speaker, my question is directed to the Acting Prime Minister. This morning, I spoke to Constantin Haddad, the son of a Canadian woman who was taken hostage in Lebanon in 1985. Her son first contacted the Canadian government in November 1985, and since that time he has received no written reply from the government about this Canadian hostage who is still in Lebanon. Why does the government refuse to do anything to help a Canadian hostage in Lebanon?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I say to the hon. member that if she had given the government notice of this question we would have been able to get the information, get the details and give her a full answer.

With the information that she has provided, I will seek out the information for her and get back to her as soon as I can. Without that notice, I do not think it is fair for her to expect that ministers would have all that information in the tops of their heads.

Ms. Sheila Copps (Hamilton East): I would expect that the senior ministers of the government would be apprised of a Canadian woman whose family believes she is being held hostage in Lebanon when the Canadian government was originally contacted in writing about this issue on November 8, 1985.

The Department of External Affairs is very aware of this issue. I want to ask the government again: Why is it when Henriette Haddad, a Canadian woman, was taken hostage on September 26, 1985, that the Canadian government has not even answered her son's letters asking for its help in this case?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, as the hon. member knows, I am not the Secretary of State for External Affairs. If the Secretary of State for External Affairs were here, and if my friend is correct in what she says, then the Secretary of State for External Affairs would know about this information and would be able to provide a response.

I am unable to do so without the notice which normally is given on something as detailed as that.

Ms. Sheila Copps (Hamilton East): Madam Speaker, the notice has been given by the Haddad family. This woman's 87-year-old husband is sitting in a Montreal nursing home waiting for news of his wife. Her son has been in direct contact with the Department of External Affairs pleading for their help. Indirectly they have told him that they have not acted in this case because this woman holds dual citizenship.

Given the minister's apparent ignorance about the file today, will the government—

Some hon. members: Oh, oh.

Madam Deputy Speaker: The hon. minister may want to answer. I think the hon. member has been told on two different occasions now that the minister does not have the answer to the question. I do not think that talking about the ignorance is helping in any way.

The hon. minister.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I accept the concern that the hon. member has expressed on behalf of the family. I am sympathetic with the concern that the family is expressing.

To take cheap political advantage by the way the hon. member is posing questions is not appropriate in a situation like this if the hon. member truly believes in the case that she is presenting.

* * *

• (1120)

THE ECONOMY

Mr. Jim Peterson (Willowdale): Madam Speaker, yesterday the Minister for Industry, Science and Technology said that he had no new economic initiatives to propose because, and I quote: "There is not a clear consensus or clear understanding as to what should be done." This is nonsense. Canadians know what the economic problems are and even the government's own adviser, Professor Porter, was highly critical of this government's economic management.

Why does the government have to go on dithering? Why can it not act? There is a clear consensus and understanding about its failures in science and technology, research and development, training and a lot of other areas.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, rather than trying to make political points on the issues at hand, I would think that the hon. member, if he would read what Professor Porter said, would agree with some of the conclusions that he has come to and would be trying to help us, as a government, as a country, come to a consensus on the directions we should go.

What Professor Porter is saying is that the old ways of the past, an economy based solely on resources, is not the way to go, that we have to move in an economy that is based more on research and development, more on training and technology. He says that companies have to be continually upgrading, continually making themselves as individual companies more competitive and to suggest, as some members opposite have, that it is only because of the Canadian dollar, it is only because of the free trade agreement that we are in the position that we are today, according to Professor Porter is missing the boat.

What we are looking for here is some economy-wide changes, and this is what we are proposing in the initiative that we will be announcing next Tuesday. I would encourage the hon. member to look upon this initiative as a positive initiative, seeking out a consensus to build a national action plan to address these problems.

Mr. Jim Peterson (Willowdale): Madam Speaker, for three years we have been telling this government—and Canadians have as well—that science and technology, research and development training are major problems and this government has been cutting back in these areas. It could reverse them today.

Professor Porter said yesterday that de Havilland is a success story and a key part of Canada's economic future. Will the minister change his mind and will he end the uncertainty about de Havilland's future? Will he commit to ensuring its ongoing future today? Will he also respond to the question I asked him last Tuesday in the House: What steps has he taken to ensure that the $1 billion that Canadians have invested in the STOL wing technology will not be stolen from Canadians.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): First of all, Madam Speaker, I cannot let some of the elements of the preamble to the hon. member's question go unanswered.

We are not cutting back on science and technology. We have been increasing science and technology. We have in place the most generous research and development tax regime of any of the major industrialized countries. We are not cutting back on training. We are increasing the amount of training. We started basically from scratch in 1984. We have $2.25 billion now devoted to training and upgrading of skills of Canadians. The hon. member does himself a disservice to repeat these untrue allegations.

The second point the hon. member asked about was uncertainty regarding de Havilland. As I have indicated, we are working closely with de Havilland, with Boeing, with A and A people in order to try to come to an agreement on this. Obviously it involves the province of Ontario. We are not the only player on it, so we alone are not able to eliminate that uncertainty. But we are

working toward doing that and the hon. member I think is well aware of the efforts we are making to do that.

With regard to the STOL technology—

Some hon. members: Oh, come on now.

Mr. Wilson (Etobicoke Centre): Madam Speaker, we get three questions from the hon. member and hon. members opposite do not want to have the answers. I am trying to provide answers to the hon. member.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is for the Minister of Finance.

Today marks the end of Small Business Week in Canada and for the 947 small businesses that went into bankruptcy last month, it means the end of their business.

The $1 million man, Michael Porter, from the United States who did a study recently on Canada's competitiveness clearly pointed out that it is this government's economic policies that show a lack of vision for the future of Canada.

Bankruptcies, a drastic decline in consumer spending, the GST, all have dealt a body blow to small business in this country. When is the Minister of Finance prepared to bring in a plan to deal with the very serious situation of 3 million people who cannot find a job and for these small businesses that are directly going into decline.

The backbone of our country, small businesses, deserve better from this government.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think it is encouraging to note that there has been an easing in business bankruptcies.

That is a reflection of the lower interest rates and the turnaround in the economy that is occurring. I am pleased to note that yesterday, the prime bank rate went down 8.75 per cent and that is certainly one of the lowest in many, many years. I think all members would applaud that.

That is clearly a very important element as the hon. member would agree in any small business enterprise, and interest rates are very, very key.

The other indicators such as the increase in housing starts, the increase in our merchandise trade balance, the drop in unemployment figures that have occurred in the month of September are an indication that there is a turnaround. We have to get the fundamentals right, and I think the hon. member agrees with that.

We have had to bring inflation down and the inflationary expectations down. That is occurring. We said when that would happen, there would be some reduction in interest rates. That is occurring, and we have the stage set for a durable, sustainable recovery with price stability.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I remind the minister that bankruptcies are 38 per cent higher than they were last September when we were officially in a recession.

I think it is pretty hard to tell that to the small businesses that are suffering.

[*Translation*]

Madam Speaker, if the minister doesn't want to listen to what this side of the House is telling him, I suggest he listen to his own members. The message is simple: The government's tax policy is breaking the middle class. He can also listen to provincial Premiers like Robert Bourassa, who says people are paying too much tax, with disastrous results.

Will the government relieve the tax burden on the middle class by closing tax loopholes for the wealthy?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the government's record in maintaining strong growth for individual families has been excellent since we have been in office.

Real average family income grew at a rate of 2 per cent per year in the period 1984–89. That is a rate of growth that is comparable to the 1960s and 1970s. To suggest that there has been a depression in personal income is not in accordance with the facts.

The facts clearly do not bear that out. Of course we are concerned about the tax burden, but the hon. member will agree that we do have a serious debt problem. We have a serious deficit problem.

It is interesting to note that her colleagues who will assume the premiership of the provinces of British Columbia and Saskatchewan have indicated the importance of bringing forth a balanced budget.

That is exactly what we are attempting to do and I would hope that we would have the co-operation of the hon. Leader of the New Democratic Party.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, on a supplementary, the minister knows that what we need in this country is fair taxation. The middle class and individuals have paid an increasingly high amount of the tax burden. The minister is aware of that.

When the minister suggests that things are getting better, I suggest he talk to those 3 million people who cannot find a job in this country, the one in six children who live in poverty, the 100,000 homeless and the 500,000 who use food banks.

Madam Deputy Speaker: Does the hon. member have a question?

Ms. McLaughlin: My question for the minister is now that he has worked jointly with large corporate Canada, will he give a voice to those millions of Canadians who are the victims of this government's idea of competitiveness?

• (1130)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, this is rather interesting. The hon. leader of the New Democratic Party cannot have it both ways.

When there was a labour disruption on the west coast, her party voted against the resumption of work so that farmers could sell and ship their grain to support the small business enterprise in western Canada and, indeed, throughout all of Canada.

There was a disruption in Thunder Bay. They constantly harp about the fact that there is a decline in the amount of shipments going through Thunder Bay, yet they voted against going back to work and restoring normal grain handling operations.

She cannot have it both ways. She cannot pick and choose. She is either with small business and for small business, or against it. Half the time she is for it and half the time she is against it.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, my question is for the Minister of Finance.

New bankruptcy figures for September are in and they continue to climb. Forty-six thousand average, individual Canadians have had to declare bankruptcy. Over 10,000 Canadian businesses, many of them small businesses, have gone under, leaving over $4 billion in debt.

My question to the Minister of Finance is this. If this government's economic policies are so great, why have bankruptcies increased in the last 12 months alone by over 65 per cent in this country? Why?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member knows that we have been in a recession for the better part of a year. There has been a turnaround in the second quarter and we expect that to continue, albeit at a modest rate of growth.

What is encouraging is that there is an easing in the level of business bankruptcies and that is an indication of the fact that there is strength re-emerging in the economy.

I ask the hon. member to consider the fact that the merchandise trade balance is up, housing starts are up to 181,000 on an annualized basis and unemployment rates are coming down. The indicators to which the hon. member refers, such as the bankruptcies, have a certain amount of lag time. I would ask him to take that into consideration.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, my supplementary is to the same minister.

Only a Tory minister could call a 65 per cent increase in consumer and business bankruptcies in Canada good news for those who have gone bankrupt.

According to Statistics Canada, prices charged to Canadian consumers have actually gone down over the last year and it is the government's own tax policies that are actually fueling inflation and driving prices up.

Why is it that the average, middle-class Canadians, who constitute 25 per cent of all taxpayers, end up paying over 50 per cent of all taxes? Why is it that the government continues to pursue economic policies that drive average Canadians and small businesses over the brink of bankruptcy? Why does it refuse to bring in a fair tax policy and why do they not do it now?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): The hon. member should make up his mind. Yesterday he stood up in the House advocating the expenditure of more money, more transfers to provinces. Where will he get the money from if he does not get it from the taxation of Canadians?

You cannot have it both ways. This hon. member talks a great line about sending more money to the provinces in terms of EPF and transfer payments, yet he wants to talk about lower taxes. You cannot have it both ways. If you want to spend more money, you have to tax someone or you are going to have to drive up the deficit. What does the hon. member want, higher taxes or a higher deficit?

* * *

UNEMPLOYMENT INSURANCE

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, my question is for my friend, the Minister of Finance, who yesterday in answering questions from the member for Hamilton East, did what was known as the Alberta two-step and refused to answer as to whether or not there would be a 14 per cent increase in unemployment insurance premiums coming this January 1.

I would ask the Minister of Finance if he would clearly state for the purposes of small business and employees across this country that he will stick by the word of his predecessor and have no further increases in the premiums for unemployment insurance.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, my answer today is the same answer I gave in the House yesterday.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, on page 30 of the 1989 budget papers, his predecessor states, and I quote: "The government will continue to contribute to the financing of unemployment insurance in difficult economic times when it is inappropriate to raise premiums".

I ask the Minister of Finance again, will he give an assurance that he will stick to the decision and the comments made by his predecessor, as the Minister of Finance, and there will be no increases in the unemployment insurance premiums as indicated in that statement? Yes or no.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I repeat, the answer that I give in the House today is exactly the same answer that I gave in the House yesterday. If the hon. member wants to quote the former Minister of Finance he can quote the budget of February 1991 when he said, and I quote: "Rates will be adjusted in such a manner to ensure the financial integrity of the account".

That is what the Minister of Finance said in the budget of 1991 and that certainly applies, Madam Speaker.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, the Porter study said something that most of us have been saying for quite a long time, and that is that regional economic development should be based on local strengths.

My question is for whomever is speaking on behalf of the minister responsible for ACOA, which has had a number of large projects under RCMP investigation over the past year. Now it stands to lose another $4 million in another patronage-ridden deal. This is the result of High Tech Woodworkers which went bankrupt after three months of operation and now has been sold for $1.2 million.

My question is as follows: Is it not about time that this government started building on local economic strengths to produce permanent jobs rather than local patronage to produce bankruptcies?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I know that the hon. member sounds very clever in making that statement. Surely, if he was correct in his facts his conclusion would certainly be correct as well.

There have been a number of risks taken in trying to develop Atlantic Canada, which is the purpose for which ACOA was created. Its success rate is pretty high nevertheless. The rate of failures is about 5 per cent out of 100. There were a number of failures in the Cape Breton area, all of which was acknowledged. There was a report done in connection with the situation by Mr. Anthony Brait. The agency has been re-evaluated since then and a report done by the Moncton economist,

whose name escapes me for the moment. You all know the name that I am seeking. We are following the recommendations of those reports and in Cape Breton in particular we want to concentrate more on smaller enterprises and on ideas and suggestions that come from within the region, rather than from without.

So, mistakes have been made and—Oh, give me a chance, I haven't been here for three or four days.

Mr. McCurdy: It certainly shows.

Madam Deputy Speaker: The hon. minister may be able to jog his memory while we listen to the supplementary.

* * *

RESEARCH AND DEVELOPMENT

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, I have a question for the Minister of State for Science and Technology.

The Porter report also criticizes the government for its research and development policy. Now we hear that the government is about to kill Canada's participation in the international fusion project.

My question is this: Given the great potential of this project to produce long-term environmentally sustainable energy, and given that Canada could be a likely site to receive $1.5 billion in benefits by virtue of the establishment here of the thermonuclear plant, does cutting this $13 million really make sense, I ask you, when we are spending hundreds of millions of dollars on TRIUMF-KEAON and hundreds of millions of dollars on a space project that will not produce nearly the benefits that this could potentially produce for Canada and the world?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased that the hon. member asked the question, and especially for his interest in fusion and the nuclear industry and his strong support for that industry.

I am pleased that the party has had a change of view since the questions were received yesterday. I simply say to the hon. member that the Minister of State for Research and Development and Treasury Board are looking at this project and Canadian involvement in it. I thank him for his support and I am glad also that he is going to make these representations to his party and his leader.

* * *

• (1140)

CANADA POST

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, the president of Canada Post was appointed by Privy Council Order 435, of which I have a copy, in 1986, for five years up to this year, at a salary "within the range $165,000 to $205,000". That expired on February 17 of this year and in March of this year, a month later, the Privy Council listed his new salary range from $248,000 to $310,000, not counting his bonus.

Does the minister not find this a little difficult to digest, awarding a 50 per cent salary increase to the president of Canada Post so quickly, so quietly, and telling the rest of Canadians to accept zero per cent and tighten their belts?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, when Don Lander took over as president of Canada Post the taxpayers of Canada were contributing by way of subsidy hundreds of millions of dollars, $500 million a year.

In the last two years under Don Lander's presidency, Canada Post has returned to the taxpayers, to the Consolidated Revenue Fund, almost $200 million by way of dividends.

I understand that the hon. member does not think that a man with that kind of accomplishment should get paid as much as some third string second baseman, but frankly the taxpayers of Canada have got terrific value for the money we have paid Don Lander in salary. We as trustees of the taxpayers of Canada should be applauding him and wishing that the other leaders in our economy were as productive as him.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, this government has closed post offices, replaced postmasters and postmistresses with outdoor boxes that freeze up in the winter time and in the interest of profit has destroyed our postal service in many ways.

Will this government return our postal service to its original purpose, to deliver the mail quickly and fairly to all Canadians, and will the minister now roll back Mr. Lander's salary to at least a measly quarter of a million dollars a year and tell him that he is not going to get his Christmas bonus this year for being a good boy last year?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member is saying we should go back to the past when taxpayers dipped into their pockets to subsidize the post office $500 million to $600 million. We are still paying interest on those subsidies we had to borrow the money for in the past. I certainly would not recommend we return to the bad old past in that context.

The international postal union says that Canada Post is the most efficient postal system in the world. Surveys by independent market survey companies of the changes the post office has implemented in terms of new outlets in corner grocery stores and so on show a 90 per cent approval rating.

No, we are not going to go back to the past. Come on, George, join the present and the future.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, the Tory government gave the president of Canada Post a salary increase of $131,250. Meanwhile, Huguette Perrier, a 65 year old widow, who has delivered mail in Dalkeith, Ontario in my riding for nine years, was fired to save Canada Post $1,500 a year. Is that justice?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, with the unanimous consent of all sides of the House, in 1981 the member for Papineau introduced a bill creating a Crown corporation and we all agreed in this House that the corporation should run like a business and should operate at arm's length from the government. It was unanimously agreed. In terms of remuneration of senior officials in Crown corporations and agencies, we have an outside group that advises us on what is appropriate given the marketplace and the salary levels. That group, as a matter of fact, was set up by the Liberal government.

Is the hon. member suggesting we go back to the bad old days where all of these decisions as to who is delivering mail here are done on a partisan basis and are done by the politicians, or should be accept the judgment of this House in 1981 to let the post office operate at arms length, and should we not be applauding the fact that it is now the most efficient post office in the world.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, if I were this government I would not talk about nominating people on a partisan basis.

This has to do with fairness again. How can a government give the head shogun of Canada post a $131,250 salary increase and fire someone who delivers the mail in my riding, a widow, to save $1,500? Is that not at least wrong in the eyes of the minister or is there no sense of fairness at all left with this government?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): As I tried to explain to the hon. member this government, in following the instructions of this House, does not get involved in the individual decisions of the post office as to how to deploy its staff, which businesses to open, and so on. That was the instruction from the House. We are following those instructions.

The hon. member is suggesting, presumably, that these decisions as to who is hired or fired are made by politicians. People would call that a patronage-based system. I do not think that is appropriate.

The question of the service to people and the management of the post office has been examined and assessed by independent pollsters. We have the track record. I think it is absurd for anybody to look at that record and suggest we go back to the bad old days when taxpayers had to dip into their jeans to subsidize an inefficient operation. We should be applauding—

Madam Deputy Speaker: We are getting into debate.

* * *

YUGOSLAVIA

Mr. Garth Turner (Halton—Peel): Madam Speaker, yesterday the federal Yugoslav army continued to wantonly shell the Croatian city of Dubrovnik. In response to a question in this House, the Minister for International

Trade indicated the government would raise this issue yesterday or today at the UNESCO conference in Paris.

My question to the minister is this: Can he please update us on any action that the government took yesterday or today, and are we any closer to securing international sanctions or peacekeeping or condemnation of the Yugoslav army?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, as I indicated yesterday, we did raise the matter at UNESCO. UNESCO did pass a resolution, I understand unanimously, calling for all parties to observe the Convention on the World's Heritage and also demanded that the military forces withdraw from Dubrovnik immediately.

* * *

AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, farmers in Ontario, Manitoba, Alberta, and Saskatchewan recently held large rallies to demonstrate their opposition to the government's agricultural programs and policies. Those farmers, including 7,500 in Regina last night, have said very loudly and clearly that there are deficiencies with the GRIP and NISA programs and that funds available under the so-called third line of defence must be increased.

In light of this protest, is the government prepared to acknowledge the farmers' growing plight? Will the government take steps to correct the obvious deficiencies in GRIP and NISA? Will the government increase the funds available under the third line of defence?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, GRIP is a tripartite arrangement that involves the provinces, the federal government and the producers. I want to remind the hon. member that payments are being made under both the NISA program and GRIP.

As a matter of fact and to put it on the record, Madam Speaker, some $548 million was to be paid by September 15 in the form of the emergency assistance which was announced this spring. There is roughly $1.5 billion to be paid between now and the end of the year under the interim payments under the GRIP program, plus the $800 million that will be paid out as soon as possible over this year and next year. That totals something in the order of $3.4 billion. If you subtract the producers' premiums of $536 million, there will be something in the order of $2.8 billion flowing to the agricultural community between now and the end of June. While they do not have that money in hand at the present time, these funds are being processed and/or being mailed.

• (1150)

I am sure that will be very helpful in farmers meeting their debt obligations and planning for the future.

Mr. Len Taylor (The Battlefords—Meadow Lake): A supplementary, Madam Speaker. Seven thousand, five hundred farmers in Regina last night were very much aware of the money that the government has provided and they have said it is not enough.

I hope the government is listening to those 7,500 plus hundreds of thousands of others out there.

The calls for a deficiency payment have been voiced since spring. The money has been needed for months, yet it appears that the government's intention for the third line of defence payout will not come until some time in 1992.

Given that the money is needed immediately, is the government prepared to advance those funds now to meet the needs expressed so strongly last night in Regina?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, in the spring we announced an emergency program of something in the order of $600 million. This $800 million deficiency payment is in addition to that and in addition to the payments that will be made out under the NISA and GRIP programs.

I remind the hon. member that between now and spring seeding, there will be something in the order of $2.8 billion or $2.9 billion net flowing to the farmers of Canada.

The hon. member suggests that is not enough. I think that $2.8 billion is a heck of a lot of money. In addition, we note that yesterday's Statistic Canada forecast indicates that farm income will be up by 10 per cent. We are expecting that there will be a further advance of credit to the Soviet Union which will probably result in an additional $400 million to $500 million worth of grain

sales, a good portion of that which will be shipped in this calendar year. So there will be cash flow and there will be deliveries made.

The money is either in the process of being mailed or in the process of being calculated. I ask the hon. member to tell his producers that money is on the way. As far as the $700 million or $800 million that was announced, we will provide it as soon as we possibly can.

* * *

[*Translation*]

TAXATION

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, my question is directed to the Minister of Finance. Some time ago, the government announced that in January 1992, businesses would no longer be able to deduct the provincial payroll tax from their federal income tax. This is crazy! And all because the government has a difference of opinion with a number of provincial governments. Madam Speaker, this is an incredible act of discrimination against Quebec businesses that create jobs. Why the cut throat approach?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is simply to stop the erosion of the federal tax base and the hon. member I am sure would appreciate that.

There are ongoing discussions with the province of Quebec. The hon. member should realize that if this were allowed to continue right across the board, the federal tax base would be totally eroded. We want to try to work this thing out as amicably as we possibly can. Discussions are currently under way to ensure that this can be resolved in a satisfactory manner.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, my supplementary is directed to the minister responsible for Montreal. This tax clearly discriminates against Quebec, which will pay half the $7 million it will raise. This tax will bankrupt businesses and throw people out of work.

The minister says he defends Montreal, so why did he accept a tax that will further increase unemployment in a city where the unemployment rate is already over 13 per cent? How many more Angus plants will have to close before he understands?

Hon. Marcel Danis (Minister of Labour): Madam Speaker, the hon. member who is a very successful businessman should understand that when the federal government decides to help a city like Montreal by providing subsidies—Petromont was given a subsidy of $55 million—obviously, as the Minister of Finance just said, it must be able to raise the money first. That is what we intend to do, and with the revenue we collect, we will be in an even better position to help Montreal.

* * *

[*English*]

AGRICULTURE

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, my question is to the Minister of Finance. As has already been stated and as the minister knows, over 7,000 farmers gathered in Regina yesterday. They expressed on their own behalf and on behalf of thousands of others the concerns of Canadian farmers.

The recently announced assistance will partially address the drastic shortfall in their incomes. My question is when are the farmers going to receive the recently announced $800 million in assistance? They are told it is next spring. I want to remind the House and the minister that their bins may be full, but their bank accounts are empty and their bills are due. The farmers know when all of the other moneys are coming forward as he has stated just a few minutes ago. When can they expect the money that has been announced lately?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I indicated, between $2.8 billion and $2.9 billion will be flowing through to the agricultural community between now and spring seeding. Moneys are flowing right now. I was just advised that cheques are in the mail to the farmers of Manitoba, which is the interim payments under the GRIP program. There are payments going out under the NISA program and as soon as we can get a decision from the third line of defence committee as to what is the

most appropriate way of distributing the $800 million, we will be in a position to start putting that in place. All I can say to the hon. member is that we will try to get the money flowing as quickly as we possibly can, provided we can find it, and as the hon. member knows, that is still a very difficult task. However, we understand the urgency and the plight out there and I know it is shared by the hon. member. We are going to do it as quickly as we can.

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, my supplementary is to the Deputy Prime Minister as well. As he knows, there are many ways we can assist the agrifood industry.

One year ago, the pesticide review committee submitted its report. No action has been taken to implement the recommendations of that report. Every time we ask, we are told "soon", "be patient", "it is coming", "it will be here shortly". Another year has gone by and the positive effects that can have for the industry should and could have taken place last year.

I ask the minister: when will the recommendations of that report be put into place?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, the pesticide review committee was a very delicate initiative that had to balance both the concerns of the environmentalists and the environmental situation as well as agriculture and other elements. I think the committee did an excellent job in doing the study and coming forth with some very specific recommendations. It certainly is the intention of the government to implement those recommendations. I am not sure of the reason for the delay, but I will undertake to make those representations to the Minister of Agriculture on his return and get back to the hon. member as soon as possible.

* * *

SOFTWOOD LUMBER INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, my question is to the Minister for International Trade. The U.S. government has started its investigation into whether Canadian provinces unfairly subsidize the softwood lumber industry.

Since the U.S. has announced its retaliatory measures, a number of Canadian softwood lumber exporters are suffering, specifically from Saskatoon.

My question to the minister is this: In a recent letter he wrote to me, he states that the federal government will make every effort to ensure that Canadian lumber interests are protected. I would like the minister to tell the House what the specifics of the efforts are from the government in this regard.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, what I was referring to in that letter was in regard to the conduct of our defence on the countervail action.

• (1200)

We will be working closely with the provinces, with the industry and with people in the United States who are also in support of our position on the softwood issue, to ensure that the strongest possible defence is put forward to counter the allegations by the United States.

I have also indicated to hon. members that if there are individual instances where they feel there are problems at the border in relation to the export of softwood lumber, I would appreciate it if they would bring those specifics to my attention so we can deal with them in a very precise way.

* * *

RETAIL INDUSTRY

Ms. Catherine Callbeck (Malpeque): Madam Speaker, my question is for the Minister of Finance.

Retailers have suffered a $15 billion drop in retail sales in August. This is clearly reflected in the latest bankruptcy figures which show an increase nationally of 38 per cent for the month of September and a devastating increase of 62 per cent in Atlantic Canada.

What is this government going to do to inject some confidence into the retail sector?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the September figures clearly show a little different trend.

The August figures to which the hon. member has referred showed a rather substantive decline in automobile sales. That really affected the old retail sales figures.

If she will look at the September figures, she will note that automobile sales have increased by some 11 per cent. While sales have not recovered completely, it does not paint as dismal a picture in September as it did in August. In some respects the August figures have been overtaken by those in September where there has been an increase in automobile retail sales in the order of 11 per cent.

I should say as well that another good indicator is that housing resales are continuing to climb. Housing starts have shown a 19 per cent increase in the third quarter over the second quarter, which I believe is a reflection of the reduction in interest rates. Housing starts are in the order of 181,000 on an annualized basis.

Those are the indicators that I think are very important. I should say that the reduction in interest rates reduces the monthly payment for a person holding a $100,000 mortgage by about $300. That is going to be extra cash in the hands of consumers which they will be able to spend and I think that will revitalize the retail sector.

Madam Deputy Speaker: As we can see, short questions do not always bring short answers.

* * *

POINT OF ORDER

QUESTION PERIOD

Ms. Sheila Copps (Hamilton East): Madam Speaker, I rise on a point of order. I just want to put on the record something that I have had an opportunity to clarify with you.

I raised a question in the House with respect to a Canadian hostage. When I said that the minister was ignorant of the file in English as well as in French, ignorance does not necessarily connote a negative feeling. Rather, what I was about to say was: given that he was ignorant of the contents of the file, would he be prepared to make a statement in the House at a future date?

I realize the nuances in the word ignorant can sometimes be negative. It was not my intention to be negative. I basically said, because he did not know about the file, could he make a statement when he apprises himself? That was my intent.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I just want to tell the hon. member that the Minister of Industry, Science, Technology and Minister for International Trade will be immediately looking into the matter that the hon. member raised.

I am sure, if he does not get back to her today, he will certainly get back to her early in the week. It is his intention to inquire immediately and, if the hon. member is around, I am sure that he will be in contact with her.

COMMENTS OF MINISTER

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, I rise on a point of order. I wonder whether members on the government side want to reflect upon the fact that the minister of energy, in his reply, indicated that he was unable to distinguish between nuclear fission, nuclear fusion and hydrogen technology and did not know which of them is radio emitted.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 23 petitions.

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

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HOUSE MANAGEMENT

12TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have the honour to present the 12th report of the Standing Committee on House Management regarding the selection of votable items among Private Members' Business.

Pursuant to Standing Order 92(2), this report is deemed adopted when laid upon the table.

13TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I also have the honour to present the 13th report of the Standing Committee on House Management as per Standing Order 114.

If the House gives its consent, I intend to move concurrence in this report later this day.

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

CONCURRENCE IN 13TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons) Madam Speaker, I move that the 13th report of the Standing Committee on House Management, presented to the House earlier this day, be concurred in.

Motion agreed to.

* * *

TRANSPORT

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons) moved:

> That seven members and two staffers from the Standing Committee on Transport be authorized to travel to Europe from October 30 to November 9, 1991 to complete a study on high speed trains.

[*Translation*]

Mr. Lapierre: Madam Speaker, on a point of order. I intend to withhold my consent. Considering the frivolous nature of this request, since the Government of Canada has just been authorized to do a feasibility study of the project, I fail to see why hon. members should go on a tour of Europe, while the merits and the potential feasibility of this project are being examined. Consequently, I object to this as a frivolous expenditure.

[*English*]

Mr. Cooper: Madam Speaker, if the Bloc Quebecois chooses to prevent this committee from proceeding on that travel then I have no choice but to accept that at this point.

Motion negatived

* * *

PETITIONS

CANADA POST

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have the honour to present in this House today petitions signed by over 1,400 constituents. They are deploring the fact that more postal outlet services have been both cut and closed.

They point out that not only will it disadvantage all constituents from the surrounding area, but business people, seniors and the handicapped in particular.

I should point out that this is another blow to this community and to the constituency because Metro Drugs, McCullough Drugs, Marion Grocery, and a number of other outlets have suffered similar reductions. This is unacceptable.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I have the pleasure, under Standing Order 36, to present a petition signed by residents of the community of Longworth in my riding, as well as Prince George.

They call upon Parliament to support Canada's rural way of life, to support the maintenance of rural post offices and postal services, and to reject the Conservative agenda of cutbacks and closures.

• (1210)

ROYAL CANADIAN MOUNTED POLICE

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, it is my pleasure and privilege to present a petition, pursuant to Standing Order 36, from a number of my constituents primarily from the town of Sidney which is at the lower end of Vancouver Island in British Columbia.

They are very concerned with the amount of government cutbacks to the RCMP services throughout Canada, particularly about the loss of $4.1 million for the British Columbia division. This reduction has resulted in the closure of detachments in smaller communities. They are quite fearful that the reduction will extend to

the town of Sidney where there is a force that has a good reputation, as it does throughout Canada.

I submit this petition and ask the government to reconsider any cutbacks to the RCMP.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos. 114 and 115.

[*Text*]

Question No. 114—**Mr. Rideout**

What is the expected date of completion of the Department of Transport's study of funding improvements on the TransCanada highway?

Hon Jean Corbeil (Minister of Transport): Transport Canada is not conducting a study of funding improvements on the Trans-Canada Highway. The Council of Ministers Responsible for Transportation and Highway Safety commissioned the Transportation Association of Canada (formerly the Roads and Transportation Association of Canada) to conduct a National Highway Policy study which would:

—Establish future needs and define standards for the Canadian primary highway system.

—Establish benefits and costs of meeting these needs.

—Establish funding alternatives for meeting these costs with a view towards recommending adoption of this policy by their governments.

The Transportation Association of Canada has produced Steering Committee Reports on the first three phases of the study and briefed the federal, provincial and territorial Ministers of Transportation on the findings. The Phase IV part of the study has been extended and the Minister of Transport will be briefed on its findings in early spring 1992.

Question No. 115—**Mr. Vanclief**

With respect to combat action seen by Canadian Army units in Greece and elsewhere in Europe during the Second World War, *(a)* which units were posted to Greece during wartime *(b)* which of those units seeing action in Greece received combat support from units of the Greek Resistance *(c)* are those members of the Greek Resistance who assisted Canadian combat units currently receiving financial assistance from the government *(d)* are members of Resistance forces from other Axis countries currently receiving financial assistance from the government?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed by the Department of National Defense and Veterans Affairs as follows:

a) No Canadian Army units were posted to Greece during the Second World War.

b) Not applicable.

c) Since 1930, with the inception of the *WVA Act*, Allied Veterans have been eligible for War Veterans Allowance.

War Veterans Allowance is a form of social assistance available to veterans and their dependants who are in financial need. To qualify, a person must have the required war service and also meet age, health and income requirements. The purpose of this program is to ensure that, in recognition of war service, qualified individuals are provided with a regular monthly income to meet basic needs.

In 1985, the Federal Court of Canada ruled in favour of recognizing members of the Greek Resistance as members of the forces of His Majesty's allies or powers associated with His Majesty. Based on the Federal Court's ruling the War Veterans Allowance Board formally recognized members of the Greek Resistance as Allied Veterans.

d) To date there are 3 persons who served with the Italian Resistance movement during World War II receiving Veterans Affairs Canada benefits.

* * *

[*English*]

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, would you be so kind as to call Starred Question No. 105.

Madam Speaker, I ask that it be printed in *Hansard* as if read.

[*Text*]

*Question No. 105—**Mr. Duhamel***

Since September 4, 1984, in the federal government (*a*) how many people have been hired for contract positions (*b*) what percentage is found in each of (i) visible minorities (ii) women (iii) aboriginal peoples (iv) disabled?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): There are no positions in the federal government that are classified or identified as contract positions and there is no comprehensive repository of government contracts awarded to individuals or to firms for the services of individuals. When contracting for goods and services valued at more than $200,000.00, departments must abide by the requirements of the Federal Contractors Program for Employment Equity administered by the Canada Employment and Immigration Commission. However, no details on representation are held by the federal government.

[*English*]

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

Madam Deputy Speaker: The questions as enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1991

MEASURE TO AMEND

The House resumed consideration of the motion of Ms. Campbell (Vancouver Centre) that Bill C-35, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of non-controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect, be read the second time and referred to Legislative Committee G.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, just before Question Period I had an opportunity to start putting a few comments on the record about Bill C-35, and I would like to continue now with them.

As you know, Madam Speaker, what we are dealing with in the House today is a bill with quite a title that I think Canadians would be interested in:

An act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of non-controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect.

The legislation, which is being brought before us today, is a mouthful for us to consider. These are essentially a number of changes to government legislation that are, in the government's hopes anyway, deemed non-controversial and that should not have any debate.

I did say, at the opening of my comments, that when the minister who introduced the bill first spoke he said that he was hoping to get unanimous consent in the House to move as quickly as possible today into Committee of the Whole to consider this bill. I said at that time, and I repeat it now, that our party cannot give that unanimous consent.

I think that is an important point to make. A bill of some 120 pages that amends a large number of statutes should be given an opportunity for a closer examination in committee. That is only appropriate.

We are quite prepared at this stage of the debate to move along quickly. But it is only proper that this Parliament, when considering a bill like this, has a closer examination of the bill in committee to see just what is in there.

Certainly, when this House receives a report from the legislative committee, we will be more than prepared to give the legislation its consideration and its early passage.

Why do I say that we have to do this, Madam Speaker?

I have not been a member of Parliament for a very long time but I have had an opportunity over the past to see what other governments have done, including this government, when we are presented with these omnibus bills. When you start going through these bills you have a number of questions. As a member of Parliament I do

not think that I would be serving my constituents or my country if I did not look closely at this legislation to ensure that we did not pass a stinker.

We have had that in British Columbia. The Social Credit government had quite a tradition. At the end of the session, when the legislature would be rising shortly and there is an eagerness to pass legislation, along would come an omnibus bill. Only later do we find out exactly what a particular bill did, what it eliminated or destroyed or changed. I think it is important for us to give close examination but we are also prepared to give a fairly quick one.

I would just like to point out a couple of parts of this bill that give reason for this examination in committee before we pass it through this House. For example, on page 12a of the bill there is an amendment to the Canadian Environmental Protection Act which my interpretation would lead me to believe that we are reducing the authority and control that the government and the minister may have regarding toxic substances. That is an example where we certainly need the background material and comments from the government.

As well on page 13 there are questions of exporting and importing toxic substances. The question is whether this is a reduction in the authority of the government to take a look at the export or import of these dangerous products.

Another one, on page 15a, concerns amendments to the Coastal Fisheries Protection Act. My interpretation of the interpretation is that the regulations the government would lay out in licences, and I quote: "—need not be prescribed by regulation". It is certainly my view that we have to follow due process and ensure that when the Government of Canada does issue a licence the minister does not just write something on a napkin and say: "It is okay and off you go". There is a process that we follow, the Order in Council process and gazetting, which is important for us to consider.

There is one part of the bill that is a positive change, which I think we could support. It is the addition of a clause which says: "This amendment which would add the underlined words would permit the drafting of legislation using feminine pronouns". All too often it is "he" will do this and "he" will do that. I think it might be a refreshing change for the government across the way if "she" were to do this or "she" were to do that. Of course it would refer to a minister generally, male or female. That is a positive change which we should have in this legislation.

Another one is a new amendment on page 37a. This is an amendment to the Parliamentary Employment and Staff Relations Act:

> This amendment will ensure that adjudicators can summon and enforce the attendance of witnesses.

Without seeing the rest of that act the question I have concerns legal representation. Often people ask that lawyers represent them. Does this deal with that section at all?

As well, on page 42a under the Statistics Act there would appear to be an amendment that will allow Statistics Canada to start sharing information with other departments, municipalities, or other corporations. The amendments here lay out how that is to be done. My concern is how the public is to know if Statistics Canada starts sharing a lot of information with Visa or MasterCard or goodness knows any other mailing list that people might be on.

My point is that I do not think it is a proper procedure for this House to be asked to go into Committee of the Whole immediately when we know that given the pressure of time we will be asked to pass this legislation without giving it the consideration and thought that is needed.

• (1220)

That is why we will be refusing the consent of the government to rush this through. I think there is reason enough to send it to committee, not to spend a lot of time in committee, but reason enough to give it some thought in committee so that when it is reported back to the House we will hear from all members of the House on that committee whether this bill on the whole is worth supporting. We will then know if there are some concerns about this legislation which require amendments, and we can then allow the rest of the bill to pass.

To wrap up, we are prepared to move this bill quickly into committee. That is where it has to go as far as we are concerned, but we are not going to give it the old legislative rush. We will certainly welcome comments from the government in due course. Then the legislation and some of the good points I have mentioned can be

passed, and concerns about parts of the bill can be addressed.

[*Translation*]

Mr. Hudon: Madam Speaker, on a point of order. After what I just heard, I think it would be advisable, before the House votes on second reading, to ask the unanimous consent of the House for referral of Bill C-35 to the Standing Committee on Justice and Solicitor General.

[*English*]

Mr. Dingwall: Madam Speaker, I did not correctly understand the request of the parliamentary secretary. The reference is to a legislative committee and not a standing committee. There has not been any discussion among House leaders with regard to a standing committee. Therefore I would like to defer any decision on that at this time. Perhaps we can have further discussions later in the day and thereby accommodate the hon. member. But there is no consent, Madam Speaker.

Mr. Angus: Madam Speaker, I have just checked and found that there were consultations and we did agree to it going to a standing committee. However, I respect the concern of the House leader for the Official Opposition that perhaps we need to revisit it quickly and then, hopefully before the completion of the debate, make a final determination.

Madam Deputy Speaker: As all hon. members know we would need unanimous consent, so we will put the motion as presented by the hon. member aside for the time being.

Mr. George Proud (Hillsborough): Madam Speaker, I rise to add my comments to this proposed legislation and to help rush it through the House. In another motion here today I believe we are talking about the decorum and the way we do things in this institution.

I believe, as our House leader, the House leader of the New Democratic Party and other members of the other party have said, that we cannot bring this type of legislation in at the last minute and rush it through without more scrutiny. The member for Cape Breton—East Richmond mentioned items he found dealing with the Atlantic Canada Opportunities Agency. This agency will, among other things, now only have to make a detailed report every five years. This idea of reporting every five years leads me to wonder what is wrong with this regional development program. This program is supposed to be the program to assist Atlantic Canada out of the financial doldrums it has been in for so long a time.

We have had many federal agencies in Atlantic Canada in the last 75 years. This we were told would be the one that would answer our great economic problems. I find it problematic that after the number of years it has been in existence it is now only going to give detailed public reports every five years.

This leads me to wonder if this great organization is having more problems than we know about. This is just one thing that has been found in this omnibus bill as it proceeds through the House. I believe there are many others. We see the Federal Court Act. We see the Canada Pension Plan. Other items deal with the Financial Administration Act. Maybe there are areas in the bill which we should scrutinize much more closely rather than rush it through the House in one day's debate.

I believe that these omnibus bills should not be brought here and Parliament asked without notice to rush them through. There are some 90 acts within this piece of legislation. That is a lot of detail for members of Parliament to go over and decide whether they can agree with it or not.

We on this side of the House do not believe that we should do that at this time. In all sincerity I say that we are looking later in the day to make this place a better one in which to serve. I am all for that. I said that the other day.

We cannot bring bills like this to the House on Friday morning and wonder if we can get them through.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I rise on a point of order. There have been

further discussions, and I think you would find that the House is prepared to give unanimous consent to the following motion:

That seven members and two staffers from the Standing Committee on Transport be authorized to travel to Europe from October 30 to November 9 to complete a study on high speed trains.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, since the mover of the motion has made such an eloquent intervention on this particular matter, and in view of the fact that there have been consultations for extended periods of time and that there have been revisions of that particular proposal, I would like to give the consent of our party to this particular motion.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I would like to signify the consent of the government side to the hon. member's motion for travel.

Mr. Angus: Madam Speaker, I would also like to elaborate on the comments by my colleague, the House leader for the Liberal Party, and compliment the three House leaders for their diligence in reviewing the submission and making sure that it worked.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1991

MEASURE TO AMEND

The House resumed consideration of the motion of Ms. Campbell (Vancouver Centre) that Bill C-35, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of non-controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect, be read the second time and referred to Legislative Committee G.

Madam Deputy Speaker: Is the House ready for the question on Bill C-35?

Some hon. members: Question.

Madam Deputy Speaker: The question is on the motion standing in the name of the Minister of Justice. Is it the pleasure of the House to adopt the motion?

An hon. member: On division.

Motion agreed to, bill read the second time and referred to Legislative Committee G.

* * *

HOUSE OF COMMONS

DECORUM IN CHAMBER

The House resumed from Wednesday, October 23, consideration of the motion of Mr. Andre (p. 3871), the amendment of Mr. Dingwall (p. 3878) and the amendment to the amendment of Mr. Riis (p. 3881).

• (1230)

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I appreciate having the opportunity to rise and speak on this motion in the House today. I would like to begin by going back to the beginning of the debate on Wednesday when the hon. government House leader rose and presented his motion. As I was listening to him, in the initial part of his speech I was moved by his words and I thought that this was going to be a pretty productive debate.

We hear from our own families and friends that we did not need to pay Mr. Spicer $27 million to hear that people across Canada, generally speaking, are absolutely frustrated and incensed at the way we sometimes behave in this House in terms of our actions and the insults we hurl at one another.

I sat there listening to the government House leader and all of a sudden, lo and behold, an incident came up and I lost it. I sort of blurted out something at the government House leader which I certainly was not pleased with. I reflected later in the day on why it is that we seem constantly to get into this use of language and finger pointing at one another to such an extent that we behave in front of national audiences in a way that we certainly would not behave if we were in a corporate boardroom, if we were in a classroom, if we were at a

function, or probably even a family argument. When we have family dinners I am sure we all get in to arguments now and again where we get pretty hot and pretty incensed at one another. Yet, even in those situations we do not lose it the way we lose it in this place, and here we are doing it in front of a national audience, in front of Canadians coast to coast. In fact it is not only in front of Canadians. I understand that Question Period in the House of Commons is used quite frequently in political science courses in most American universities right now. They are absolutely amazed at the way we have this free-wheeling debate with one another. They are stunned at the language and the actions that we use.

So I asked myself: Why is it that when you come here with the best intentions, when you say "listen, I am not going to get involved in the cut and thrust of what has been going on in this place" and you try to do your best to put forward constructive alternatives to government policy, you still sort of lose it? I have been reflecting on this point for a while, and I think that very few Canadians really understand what goes on in this place when we are debating.

The television camera is very selective in the way it handles the question and answer period or the debating period. It does not have a wide angle lens. It does not see the whole dynamic of the House. Also the camera does not pick up the situation where if all of a sudden you ask a specific question of the government on a specific issue and the government, the front bench, the ministers of the Crown, stand up and give an answer which has absolutely nothing to do with the question that was asked. We are here representing our constituents. We are in a situation today where many of our constituents are in deep economic pain. We have almost 2 million people unemployed. We have people losing their homes. Bankruptcies are at a record high level. When we as members of Parliament on both sides of the House go back to our constituencies, we are presented with the problems that our constituents are facing.

They demand that we put forward ideas and recommendations when we return to the House of Commons. They ask us to say to the government: "Listen, we have people unemployed. The reason they are unemployed is that there is a lack of capital in the market. Banks are shutting down their lending practices. We have high interest rates. We have a high dollar. The immigration department seems to be moving slowly". Whatever the reason, our constituents expect us to come back here and make the government accountable for its actions.

We can stand up in this House day in and day out and be presented with answers which are not specific. Sometimes the government will answer in a way which is almost like number gymnastics. It will take a question and twist it in a way that the question we put just does not make sense or is not logical. This engenders frustration. It engenders a frustration in the opposition parties that triggers this language reaction or this decorum reaction.

I have only been here for three years. Initially I was pretty frustrated and disgusted with the decorum of this House, but I am beginning to understand fully why people can lose it in here. When one is part of an institution which tends to exist in almost a remote state from the grassroots of the people one can become insensitive. One can project, not by design but by inadvertence, an attitude which seems to be uncaring to the people of Canada. It seems to be lacking in action. This is what frustrates the spirit of this country more than anything.

Day in and day out I hear from my constituents: "What goes on up there in Ottawa? Does anything ever get done? Is there no way that you can move this government to act? What does it take?"

Mr. Speaker, do you know that most Canadians today have given up on the institution of government? Not just government at the national level but all governments. They have given up on government because they feel that their words are falling on deaf ears. When we as members, as recipients of that frustration, hear that frustration being expressed to us, we would be absolute fools if we did not come up here and try to pass on that frustration to the government.

• (1240)

We need action on tax reform. We need action on trying to put people back to work. When day in and day out we are stonewalled, it engenders feelings of frustration on this side of the House. I think that this motion on decorum and language in the House is totally misleading. It is misleading because it is not addressing the fundamental problem in this House.

The fundamental problem in this House is one where the issues are not being addressed in a specific and substantive way. What is our fallback position as members of the opposition? If the hon. government House leader were truly trying to be effective as to how to reform this House, then he would have put forward something that would have caused a break-up of the bureaucracy that not only runs this town but now tends to be running this very House which is the ultimate representative of all the people.

Again I want to put forward some constructive ideas to the government. I think that this government is probably one of the best manipulators of the government communications systems that I have ever seen. It is an expert in the power of proper packaging. It is so expert that I believe it actually fools a lot of the national media on many occasions.

This is something that I am really concerned about. I am concerned about the fact that the government itself, day in and day out, plays gymnastics with figures. This is what leads to the frustration which ultimately causes a breakdown in the language and decorum of this place. I am not standing here condoning it, but what I am saying is if we are truly going to have some kind of substantive reform in the way this nation's board room is going to function, then we have to get back to basics.

Here is where we should begin. If we are presenting specific questions on issues which all sides of the House know are of national concern, then it would seem to me that the government could go a long way toward reducing some of the frustration in this House by being a bit more specific in its responses, by being a bit more substantive.

We are at a position in this country where the economy, the mood and the spirit is so fragile that people want all of us, on all sides of this House right now, to do things that galvanize the will of this country, to do things that pull it together. I think that we could probably begin that process with the government, in the tone of its approach, maybe assuming some more of the collective responsibility.

I wanted to refer to the member from the New Democratic Party the other day who spoke on this very motion. He said that he felt that the government was basically putting forward this motion in a way that language and decorum needed to be changed. There seemed to be a suggestion that there was more of a problem on this side of the House rather than the government side. I would suggest to the government that it is partly its responsibility for reform, decorum and language clean-up here. When we participated in debate here, we should not be standing up with papers prepared for us by bureaucrats and officials and throwing statistics back and forth. I think we have to get beyond that and get into the spirit and listen to the frustration and the pain that our constituents are talking about.

This is sort of a motion of self-analysis today on all sides of the House. No one is claiming that they have any book on how to behave in this place. I think that we can all express our point of view as to why we become frustrated. Naturally the government can say to us: "You know that we are in a box in terms of expenditure control here. You know that we are not the only country in the world that is having difficulty". That is fair.

In the process of debate I would suggest that if the government is truly sincere in asking for radical change to decorum and to language then maybe it should participate in the process by being a little more substantive and creative in putting forth its answers on policy. Maybe it should also be a little bit more receptive to accepting ideas and policy from members of the opposition.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, a little later I want to speak on this motion in a very non-partisan way. I would hope that that is the kind of attitude we would have. However, I would like to ask a question of the member for Broadview—Greenwood. He seems to be talking about the government a great deal and its kinds of answers.

I was taken the other day with a speech made by the member for Crowfoot who has been here a long time and who has a lot of concern, as does the member who just spoke. He said it did not seem like the rules of the House were being carried out to any great extent. A lot of these long preambles in Question Period and the innuendoes that come out of them may be part and parcel of this too. I am not taking anything away from the kinds of answers given.

I would be interested in what the member would think about putting questions into a more precise and concise form without long preambles containing innuendo that tends to elicit this pack mentality that seems to develop around this place. I would be interested in his comments on that particular point.

Mr. Mills: Mr. Speaker, if I understand the member for Sarnia—Lambton correctly he is suggesting that the preambles are too long, or is he suggesting that in the preambles there tends to be a bit of a shot taken before we get to the substance of the question?

I think that is a fair point, but it goes back to my point. I think we have a mood of confrontation and frustration here and the nation is actually a mirror of the frustration. We are emissaries of the mood of the nation. That mood is very low, very frustrated, very up tight, because there is perceived to be—I put my emphasis on the word "perceived"—a government that is not listening and not

caring. As a result we reach that level of emotion which leads to those cheap shots. I think the member has a good point. I think we do from time to time take cheap shots that probably should not be taken.

• (1250)

However we are taking these shots because our frustration level has reached a certain point. It is a two-way street. I guess my point basically is that need to get a sense from the government. I have never sat on the government side but I have worked for the government side before. There are times when a government can be perceived as being arrogant and uncaring and can be seen as not listening to the people, especially during a period of deep economic crisis. It is that perception which causes people to dig in their heels and become emotional and frustrated.

I take the member's point as constructive. It is certainly not a partisan point. I think that we have to work on cleaning up our act as all members do.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, there is a tradition in Britain that Whips never talk in the House of Commons about anything of substance. Over here we do not do that to quite the same extent. Certainly opposition Whips speak with great frequency. However it is not very often in the last three years that I have been government Whip that I have had a chance to speak in the Chamber. I did not intend to speak on this debate.

I had a little insomnia two nights ago and watched replays of the House of Commons. I heard most of the speech from the House leader of the Liberal Party and all of the speech of the House leader of the New Democratic Party.

In that close to one hour I experienced anger and ultimately disappointment listening to those speeches on a topic that is so essential to the reputation of the institution, so essential to the belief of a population in its own democracy. Is democracy a good form of government? The answer is yes. It is the best form of government until you lose faith in the institution itself. Maybe you have a word, maybe you have a process. When you lose faith in the institution you are really in trouble.

I do not think that any of us who serve in this Chamber and work at the job of going back to our ridings and doing all the other things can feel very sanguine today about the attitudes that Canadians have toward the Chamber itself.

The anger I felt in listening to those two speeches the other night was a result of the degree of partisanship in each. I have not listened to my own House leader and I have not listened to the parliamentary secretary. I was busy and did not hear those speeches.

I would be really surprised if either one of them made a speech without partisanship on this topic. If there was ever a topic on which we should be truly non-partisan in this Chamber it is this. This is a motion, well crafted or badly crafted, that deals with the essence of the possibility that the people of Canada can believe in the institution. If you do not believe in the institution then a whole series of good decisions are less likely to work because people will not have faith in them.

I took my pin off. I came here in 1979. I was raised in a community that experienced a lot of difficulty, a lot of poverty and things, and all of a sudden I was here. This place is a very important place and you feel proud. They give you a pin. It is for security reasons but it is also a symbol. It has a number on it. I am the only human being in the whole world who has that pin with that number. I had not been here two years and I took it off because I was so upset about the nature of this institution and the way it works.

I am one of the people who had a lot of hope in 1985, some five years after that, that with the reforms the roles of members of Parliament would be better and the whole place would be better. It is in many ways. I remember the days when committees never met. There was absolutely no opportunity to make an amendment. No matter how good your idea was and no matter how many witnesses, amendments were not made.

Since 1985 we made 174 amendments on the environmental bill. We made 39 on the gun control bill the other day. Canadians participate, they come. Members care, members listen, stay up late at night, argue about

amendments and make them. They do it collectively across party lines.

The degree to which we work together on behalf of Canadians is one of the best kept secrets in this whole country. We do, all of us know that. Time after time after time we work together on an investigation or on a piece of legislation in committees. We work together well because people come here with talent. They are selected from their communities because they have talent and they have commitment. Then they come here.

The institution itself is viewed negatively. If you have a collection of people like that with concerns like that, ideological differences sure but really decent human beings who care and who are cared about, how can you bring them into a collective and have a negative perception of the place?

Ultimately we have had the negative perception in part because of the potency of television and the decision many years ago, before any of us came, to put television in the House. In many ways we have a rotten journalistic process in this country. It is a rotten, rotten, rotten journalistic process that depends on advertisers' dollars in large measure which believes that news must be encapsulated as a mini-drama with a hero and a villain in every situation.

The most discrepant view gets attention with the most common well vetted view. They get equal time. There is a perception over time of leaders in our society. They are high profile political leaders, but also doctors, dentists, clergymen, policemen and boy scout leaders. They are all being denigrated because the media give prominence to aberrent behaviour by a member of a class and do their thing which is create a mini-drama with a hero and a villain.

This Chamber itself is something that collectively we could do something about. Collectively we could change the reputation of it. I saw no hope for that at three o'clock in the morning watching the replay of just two of the speeches by two of the leaders in the Chamber.

I want to attack the New Democratic Party thesis. One basic message of the House leader of the Liberal Party was that this is an adversarial place. I say yes. I agree. I hope it never changes. This is the place for the free exchange of ideas. This is the place to argue. This is the place ultimately to vote.

Where else in society do we have adversarial situations? We happen to be in the middle of the World Series. We are headed toward the Grey Cup. The whole athletic team world is an adversarial world.

I have a little picture in my mind: "Ladies and gentlemen, I am glad to bring you this year's Grey Cup. We have a little surprise for you. Today we are going to make the coach and the management of each of the teams responsible for the rules. We are not going to have any referees during the whole Grey Cup, and aren't you excited? How well do you think it will work?"

That is where I began as a young man. I was heavily into athletics and I ended up as a referee. I refereed national championships in basketball and other sports. You could never be a referee without the concurrence of the players, the coaches and management. They give you that authority. They give you the rule book. If you are fair and consistent and clear on what those rules are and the enforcement of those rules, they give you their support even in very emotional moments. They give you the power to punish. For example, a technical foul in basketball or an ejection for a fist fight in a football game. Think about how little referees are sometimes and how big football players are and how many football players there are. If they wanted to crush that referee with their fists it would be boom, done, gone.

• (1300)

This place gives that authority to the Chair. It is pretty well accepted practice that we do not comment on the behaviour of the occupant of the chair because we have respect for the Chair as a symbol.

However we easily slide into something else. The House leader for the New Democratic Party said to the Speaker at the commencement of his speech the other day: "We want to congratulate you on your excellent work, Mr. Speaker". The Chair did not cut him off. I do not think anybody noticed. That was a comment in this Chamber to an individual about that individual on the quality of the work.

In this Chamber that is debatable. There is an obligation to debate it if you open the door. You should not comment on the occupant of the chair and whether he or she does a good job or a bad job because the minute you do it is debatable. You cannot be on one side. It is an adversarial place.

Laced throughout that House leader's speech are comments like: "This motion is sort of a subtle way of storming the Chair" and "this motion says you are not doing your job properly". We do not accept that. It is against the rules. Those comments themselves are against the rules. The Chair did not stop him. That is a microcosm of a larger problem.

Is it really official New Democratic Party policy followed by elected members in this Chamber that we do not want rules and we do not want a referee, that each party shall discipline its own members? I do not want to be partisan, but I raised a point of order on more than one occasion about two members who voted twice. It is clearly on the record; it is on the tapes. One apologized to the House ultimately. The other never has and there was no discipline.

I remember the day a member of the New Democratic Party walked across the floor of the Chamber with a fish and plunked it down on a desk. There were other sorts of advertising gimmicks here and there. There was no discipline. There was no discipline from the referee and no discipline from the party is to invite escalation.

In Croatia there have been all kinds of cease-fires between the Serbs and the Croatians but there is no referee, nobody with the power or the authority to enforce it. Even if you have the power and the authority but do not use it you invite escalation. There were two recent incidents, a comment on sexism and one on racism. Read the record. The member who invited the comment on sexism appears in *Hansard*. What does *Hansard* say? It says: "An hon. member". It does not identify the person. The comment is simply: "That is not true". They yelled: "That is not true". No action from the referee.

In a basketball game that is like an elbow in the chops. If the basketball referee does not penalize the elbow in the chops, you are going to get a blow to the kidney on the next foray down to the other end. By nature that is adversarial. Our job is the refereeing of society. That is what the Chamber does. It passes laws that govern business. It says yes, it is adversarial, but under these limits. We pass pollution laws that say do not go beyond this limit. We pass the Criminal Code. We are in the business of setting limits in the expectation that limits will be enforced.

I was so mad at the House leader of the New Democratic Party on October 11, 1990 because a statement he made in this Chamber was legally actionable outside this Chamber for a class of people called Conservatives. The Chair took no action. The statement was completed from start to finish. I was not even in town. I raised it and I was asked to back off and solve it behind closed doors. It sits there to this day as part of our records. I brought it in today. The statement is on page 14036 of *Hansard*.

I will give you a couple of examples which talk about Conservatives: "Conservatives want to be above the law". This is just a short statement in our *Hansard*. These are just a few lines of it: "They want to be tipped off to any RCMP criminal investigations into their parliamentary affairs". This refers to Conservatives and Conservatives only in this Chamber."A few weeks later her colleagues are looking for special laws for Tory MPs. Tories are willing to break all conventions, abuse closure, stack the Senate, and now they want to give themselves special legal privileges. No wonder Canadians have such contempt for this government".

If there is no referee to stop this kind of calumny then it invites retaliation and the institution suffers. There is no greater law. We did a filibuster back in 1980 and I was in my office till three and four o'clock in the morning. I read most of those books on that table in about a 15-day period of time. As a fairly new member I was looking for ways to raise questions of order and privilege in this Chamber to filibuster, to stop the constitutional proposal which made my province full of fifth- class citizens. I felt very deeply about it. Never once did I break a rule of this place, unless it was accidental, not once. The rules allow for obstruction. The rules allow for many things done with decency and responsibility.

That statement on October 11, 1990 was an indecent statement. There are only two basic rules in this place that need to be enforced, and the institution benefits. One is respect and the other is relevance.

When is the last time the rule of relevance was enforced in this Chamber? What relevance simply means is that we set aside time to deal with the topic. Miscellaneous changes to bills or decorum in the House is the topic now. The next one might be an income tax issue. But, if everybody spoke to the topic, debates would be quicker, neater and somebody tuning in could actually listen to a debate on the issue: what is right and what is wrong. If we conducted all of our debates and all of our behaviour with respect for each other as human being

who care, human beings with talent, human beings who try, then the institution of democracy would benefit.

But we cannot ask the referee to referee unless we say: "In your refereeing we are asking you to enforce the rules not today, not tomorrow, but every day and every tomorrow and in every circumstance". If it is a bad rule collectively we will change the rule. If the enforcement is in the escalation of violence, such as in Croatia and Serbia, then the institution loses all of its credibility. This Chamber has seen a massive escalation of violence, verbal violence. There is no greater transgression on the collective privileges of this Chamber than the notion of contempt. The most contemptuous group of people in this country about this institution are journalists. They are incorrect on so many occasions.

• (1310)

We do not have the courage collectively to haul them before the bar and say: "Stop being contemptuous". It is hard to convince them of this. We cannot allow contempt for this institution to occur in this Chamber, and particularly by leaders in this Chamber, and not call it to account. The contempt for this institution and for the people in it has to stop here first. Then we have an opportunity, by our example, to call others to be accountable for the terrible things they say about the people in this institution and about the institution itself which have no basis in fact and reality.

The lead comes from allowing those comments to be made most often in this Chamber before they pass outside. That is something that we can stop collectively if we have the will to stop it.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I listened with interest to the comments by the chief government Whip. I want to suggest that perhaps he has actually violated a few rules himself in his remarks, particularly in terms of impugning the motives of some of my colleagues.

I want to ask him a question dealing with an amendment made by my House leader and seconded by myself. It is directly in terms of his responsibilities as the Whip of the Conservative caucus. In part the amendment says:

> "The party leaders, House leaders and Whips be responsible for the comportment of their caucuses;"

I understand that the government House leader has rejected that. I want to know whether the government Whip feels that Whips should not have the responsibility for the decorum of their members while in the House; that the House leader should not have responsibility for the decorum; that the party leaders, whether it is the Prime Minister, the Leader of the Opposition or the Leader of the third party, should not have responsibility for the decorum of their members.

My leader has made it very clear that if any of my caucus use racist or sexist remarks in this House she will be the one to punish them. As we know, there is nothing in the rules that clearly defines that sexist remarks or racist remarks are against the rules of this House. They should be, but they are not.

The member went on about how we need a referee. Where the rules are not clear, and there is an opportunity for House leaders, Whips and party leaders to enforce discipline, is it not our responsibility to do that? Would the member therefore comment on that particular amendment put forward by my colleague?

Mr. Hawkes: Mr. Speaker, I am pleased the question was raised. I have risen before. I have had complaints about my behaviour raised in this Chamber by members of my own caucus. I responded and do respond in terms of responsibility. I am an officer of the House as the Whip of a party and I have a responsibility to uphold the authority of the Chair. I have absolutely no difficulty with that, absolutely none. I can be quite firm on that.

If one of my members gets punched in the teeth they have a responsibility to defend themselves. If the Chair will intervene, great. If the Chair does not intervene then we have the beginning of a war. Today in Question Period the member for Hamilton East used the word "ignorant" in dealing with a member of the cabinet. We could have had intervention by the referee who would say: "That is an elbow. Stop it". If one lets it go then one is going to get something in response.

That is simply the way an adversarial process works. The member opposite does not believe and has said on many occasions in many speeches that business polices itself. It is the whole party platform that there should be rules and there should be referees out there who enforce the rules. That is where it comes from.

I just threw two or three things on the table about keeping the commitment he talks about. It is lousy. There has been no discipline within his own party for the kinds of behaviour that come easily to mind. If that changes, that is great. It has to be through the Chamber itself and through its rules. If we read the rule book Standing Order 10 says:

> The Speaker shall preserve order and decorum, and shall decide questions of order.

We have an obligation to support and encourage the Chair to do just that. That is our responsibility as House officers. That is what I have no trouble with. If the NDP believes that order should be replaced and we should eliminate a referee, eliminate a Speaker, and say that under House orders House officers called leaders and Whips and so on shall do such and such, then let us debate it.

Quite frankly there is not an adversarial relationship in the world where that principle works. Part of what you have as a responsibility when you are involved in a team, in a group, is the morale of the group, the strategy of the group and so on. Yes, one takes advantage of rules. One runs up to the edges of rules. One cannot be responsible for that. One goes to a meeting every morning that does exactly that. It is wrong to say that people must be disciplined if they step over the edge a little bit. That discipline comes from the Chair. The rule book says it. It is true in a court of law.

Can you imagine a lawsuit with two lawyers disciplining themselves about what is relevant and what is not? No, that is why there is a judge in the middle who says no to this and no to that and yes to this and yes to that. The adversarial relationship tries to get the main advantage for the client. That is the nature of this place. Collectively we have to say to the Chair that we want our rules enforced and we as House officers will back you up all the way. If we do not do that the institution suffers.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I believe that the government Whip was on to a couple of key points that I share. One was the point that he made that there are hours and hours of work that go on in this place, in committee and offices that the people of Canada never hear about. They only see the 30-second clip. From time to time there is almost a contest that goes on in this place as to how I can get a 30-second clip instead of trying to advance a particular cause or a particular policy initiative. Therefore I share the member's point on that observation.

He also made another observation that I thought was interesting. He introduced the fact that maybe there should be some accountability with the media as well. We have this exercise after Question Period that I am sure most Canadians are not even aware of. Members run outside and they troll up and down outside this Chamber hoping that some journalist will come along and they can get a clip for the media, for national television.

I saw today a colleague of mine from Scarborough was brutalized, a man who has worked most of his life on human rights issues and has done it in a very progressive way. He was working on a policy paper where the media actually took words that did not exist in the paper. He referred to things like concentration camps and words and language that my hon. colleague I know did not use because I spoke to him, and now, all of a sudden, the member's three years of hard work is gone out the window because the media is allowed to sort of take and twist things and sort of put them in a certain way.

• (1320)

The member has been around here a long time. Does he have any sort of creative ways or thoughts as to how we can sort of make that national gallery a little bit more focused on the substance of issues that are being debated rather than some of the tactical activity that goes on in here?

Mr. Hawkes: Mr. Speaker, simply and briefly. I have had a question of privilege in my mind. I used it partially off and on for over 10 years. That series of books about our rules and our precedents says clearly that biased information which brings the institution into disrepute can indeed be a contempt of Parliament and is punishable by Parliament. Cut off his head and put him before a firing squad.

The power exists. We are the highest court in the land. There has to be a will. There has to be a certitude in our minds that the institution is more important than any one of us. We have to take the obligation and the

responsibility for the protection of the reputation of the institution seriously.

It is all there. Go through it a little bit. You could rise on a bunch of headlines in newspapers today and make the case and you can make it persuasively. Then it follows: committee investigation and then punishment. There is a rhythm there. Contempt of this institution is viewed by the law to be a crime that sort of takes us in the direction of treason. We just do not do it. We do not seem to have the courage to do it.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I am very pleased that I have an opportunity to get up and speak to the government motion today.

I want to say at the outset that I have no intention of calling for the heads of anybody or for anybody to be put before a firing squad. I think that is taking things to ridiculous and very violent extremes, even in this debate.

The motion that has been put before us is one to deal with decorum and civility in the House of Commons. It appears to me that this motion only attempts to reaffirm what is already supposed to happen in this place. Surely the majority of us, as members of Parliament, already know about a basic level of decorum and a basic standard of decent behaviour. It seems incredible to me that the government even brings this motion forward for debate.

What we have seen in the House of Commons in the last month in fact has been comments made in this place that have nothing at all to do with decorum, but have instead to do with racist and sexist attitudes. It seems to me that this motion that the government has put forward simply fails to address those two very critical issues that we have all seen in the media in every area of this country, and that is sexist comments and racist comments.

I believe that the government motion totally misses the point.

Racism and sexism permeate our society and Canadians, by the number of letters that I have received over the two most recent examples in the House of Commons, and the number of phone calls that I have received, are just not going to accept this at all any more. They are fed up with those kinds of attitudes.

It is not surprising that those attitudes are still surrounding us. Some of these attitudes in society are overt as they were in the race riots that we saw in Nova Scotia recently in the high school there. Some of these attitudes are subtle and the person to whom it is directed only finds out by accident that they have been denied a job or housing based on their race. There was an instance of a case of a visible minority woman who tried to rent an apartment and was told that the apartment was filled. Shortly thereafter a white person entered and asked about the apartment and was given that apartment to rent.

Some of us have grown up with these attitudes around us here in Canada. A very competent woman administrator was told to her face that she would not get the job she was applying for because they were looking for a man. This particular woman does not herself support equality issues. She does not see the connection between what happened to her in that individual circumstance and what happens to women in the Public Service.

There is a female engineer who was told by her male colleague that she was not an engineer, that she was just a stupid woman. Another woman's boss told her that if he were her husband, he would beat her black and blue. A woman with a degree in naval architecture who had operated her own electronics shop was asked during a job interview if power or hand tools scared her, was she afraid to get dirty.

These are all examples that come from our own federal Public Service. Negative attitudes toward women and visible minorities and other disadvantaged groups do have a direct economic impact on these whole groups of people.

I received from a woman in Nova Scotia who wrote to me saying that she was tired of seeing me up on my feet in this place, always whining, always complaining about what happens to women in our society. She said to me she did not know if I was married or not, but if I was married what I really needed was a good kick in the butt from my husband. Those attitudes are still our there in society. It shocked me. I was surprised—I am surprised I continue to be shocked—but they are still out there in society. There are serious problems in Canadian society: race riots in Halifax, shootings of black youth, violence against women in every community in this country from

the north to the south, from Victoria, British Columbia to St. John's, Newfoundland. Women are assaulted in their homes and on the streets simply because they are women.

Members of Parliament often reflect the attitudes that they have grown up with, the attitudes that are out there in society, but the difference is that members of Parliament here in this place have control over the lives of 26 million Canadians and more than half of those Canadians are women. They are people of every racial, ethnic, and religious group.

The member of Parliament who hurled a racist slur is the parliamentary secretary for employment and immigration. He has to make decisions concerning immigration policy, employment equity and job training programs. As a matter of fact, the Employment Equity Act is coming back to this House soon for review. I would submit that his input is not needed in that debate at all.

The member of Parliament who called a female member of Parliament here a slut is the parliamentary secretary to the Treasury Board which is now handling the labour negotiations with the Public Service. One of the major issues, in fact the major issue there, is the issue of pay equity for women. I would submit that his input would be the wrong input to that debate.

There is a lot of heckling, a lot of name calling. I have heard the other members talk about it in this place. I agree with many of the members who have said that is to be expected in a parliamentary democracy. After all, we come here holding very passionate views on matters of substance in our society. We hold different political views. Yes, we are partisan. I am not ashamed to be partisan. I am proud of the views that I represent here and by having debate in this House of Commons, that is how we avoid the fighting on the streets, if you like. This is the place for that kind of debate. There are people here who come from very different perspectives and very different outlooks.

Many of us feel passionately about the issue of equality, as I do. Others come from a different perspective. In my three years here I have only once complained about a remark that was hurled against me here in the House of Commons. That was the time when a direct sexist comment was directed at me.

• (1330)

The point that I want to make and the point that the government Whip seems to misunderstand or failed to recognize is that when one member in this House is hurled a direct sexist insult, it is not just me as a woman member of Parliament who is offended and insulted by that remark.

It is a whole class in society. It is all women in Canadian society. After all, we are not a minority. Let me remind this House that women are the majority in Canada. We are not a minority, but when those sexist comments are hurled at me, it is casting that kind of disgust, that old attitude that women do not belong in this place and do not belong in certain places in society across the bounds to all women in Canada.

That is the difference and that is what the government side does not seem to understand in this debate. When my leader, the hon. member for Yukon, raised the issue with the Prime Minister, he talked about the insults that he has received. Yes, sometimes things have been said to the Prime Minister that are inappropriate, but they are not racist and they are not sexist.

When the Prime Minister talked about the fish, I want the Prime Minister to understand that there is no such thing as fishism, but there is racism and there is sexism that is here in this place. It is everywhere in Canadian society.

Why should I as an individual woman in the House put up with all the regular kind of heckling and name calling which happens, plus the extra sexist kinds of name calling? I should not have to. Why should I as a woman believe that this government and its members really care about women's equality when it has refused to punish or discipline the members who have denigrated women as a group?

Sexist and racist names do not tell you what a member thinks of another member. They tell you what that member thinks of a gender or a racial group of people. The government has refused to acknowledge that point. Actually, it refuses to see it or perhaps it just does not get it. To be charitable, perhaps they just cannot get it.

The motion before us simply asks the Speaker to enforce what are two existing Standing Orders. Standing Order 16(2) states:

> When a Member is speaking, no Member shall pass between that Member and the Chair, nor interrupt him or her, except to raise a point of order.

I fail to see how this Standing Order can really be enforced short of perhaps asking the pages here in the House of Commons to stand by members' desks and whack the desk or wrap their knuckles if they are starting to stand.

However, there are no individual penalties for the interrupters. The interruptions continue. Standing Order 18 reads:

> No Member shall speak disrespectfully of the Sovereign, nor of any of the Royal Family, nor of the Governor General or the person administering the Government of Canada; nor use offensive words against either House, or against any Member thereof. No Member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

These Standing Orders, although updated from time to time, come to us from a long tradition, from days in which this House was made up entirely of men and from traditions in the British House of Commons where also the traditions were established by men. The Standing Orders do not deal at all with racism or sexism in the House.

It is not just the matter of language. It is the attitudes that produce that kind of use of language. It is no comfort to me that now members will simply perhaps not hurl these insults. I want them to see women and minorities as real, full human beings deserving of equality and respect. That is the bottom line.

We have an association here now of women parliamentarians, a non-partisan association, where women in this House and women from the other place meet from time to time. That association has discussed what has has happened in the House. We have discussed a number of issues, but we have discussed most recently the two incidents that I think have brought this motion forward by the government.

That association is now drafting a proposal for you, Mr. Speaker, and for the House that will ask for specific changes to the Standing Orders. These changes would permit a Speaker to remove a member from the precincts of this place, levy a fine, or withhold pay in cases of racist and sexist behaviour.

Let me say as a parent that when my children have from time to time displayed attitudes or behaviour unacceptable to our family or in society there were consequences for their behaviour. That is how they learn. I think that is a policy that is used in schools across this country. It is a policy that is used by a coach of a minor sports team. If players on his or her team act inappropriately or display inappropriate attitudes they are sent to the showers.

It seems to me that here in this place there are no consequences for sexist or racist behaviour. They are what we need to see.

I am hoping that when this comes forward it will be taken very seriously. As I said it has the support of women from the government side, the Official Opposition and from my party as well, and there has been a great deal of discussion about it.

We all come to this place from various experiences. There are members who were teachers, social workers, lawyers, homemakers and doctors. We all bring a variety of experiences to the House of Commons. Some members of Parliament I suppose you would call professional politicians. They have been here for a long, long time. We come to this House with different experiences and from all regions of the country. I believe that does add a great deal of knowledge and a variety of different perspectives to the work that we do here.

However when many of us were elected we really did not know what we were going to be getting into. Many of us had no experience at all with the legislative process. I know there are many members in this House of Commons who have had no experience with equality issues. We make laws here; that is our job. We are supposed to represent our constituents. Let us all remember that over one-half of all our constituents are female. Let us remember that we live in an ethnically and racially diverse land with many different religions, many different languages and many different cultures.

We pass laws here that deal with immigration, with employment equity. What kind of attitude do the comments that we heard a couple of weeks ago bring to that debate and that discussion? These are not issues to be passed over just like any other insult. That is the difference between the government motion on decorum and what should happen with racist and sexist comments.

We are not talking about offending a single member in the House of Commons. We are talking about offending a whole group of people in society. Nowhere in the

Standing Orders is there a mention of what to do about offending an entire group in our society.

We need to have more than just motions about decorum. Fancy words are not going to solve the problem of sexist and racist attitudes. I ask the Prime Minister to set an example by removing the two offending members from their sensitive and lucrative positions. A parliamentary secretary position is seen by Canadians to be a reward for good service to the government and an inclusion into the government hierarchy. He has failed to answer that letter and has failed to take that kind of action.

The leader of my party has said publicly in this House that she would remove any of our caucus members from their duties if they were to shout sexist or racist comments.

I hope that government members will look carefully at the amendments that have been raised by the Official Opposition and the amendments that have been brought forward by the New Democratic Party. I sincerely urge them to support those amendments. If those amendments become part of this motion then it will have real meaning to the Canadian people. As it is, it is meaningless. It does not address the issue that Canadians are asking us to address in this place. Sure, they say Question Period is theatrical. Sometimes it is pretty theatrical, but a lot that happens here in the House or in committees is very substantive and members do work together co-operatively. I do not want this place to be seen as the laughing stock of Canada or seen as having the lowest level of leadership and behaviour in our society. That is what Canadians are saying right now after these most recent examples of racist and sexist slurs. They think that we are beneath contempt on those kinds of things. We must take this issue seriously. We must deal with it in the short term. In the long term we have to work to change the attitudes that produce sexist and racist behaviour.

• (1340)

Mr. Speaker, I want to thank you for the time. I want to thank the members here for their attention and urge them again to support the amendments to this motion so that it will have real meaning.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I would like to ask a question of the hon. member for New Westminster—Burnaby. I have listened attentively to her dissertation and know she speaks passionately on the equality issue. I have observed that since she began here time here in 1988. I know she believes very fervently in that. Does she not think that if all of us on both sides of the House were to pay closer attention to the rules already in the rule book House it would lead to a greater sense of decorum in the House of Commons?

It is a two-edged sword. With the adversarial role there are many times when the barbs and heckling go on, most often in good nature. She and I have exchanged good natured heckling with each other over the months. Would she not agree that closer observance of the rules, as we already have them, would go a long way to improving the decorum in the House of Commons?

Ms. Black: Of course I believe in individual responsibility. I believe that we were elected here. We have the endorsement of our constituents. I think they expect us to show a basic level of decorum. I said that in my comments. I do not think any of us should need lessons on that. We come here as adults. We should be able to behave in a respectful way and meet the decorum standards he spoke of.

My point is that racism and sexism are not a matter of decorum. They are attitudes that insult a whole segment of our society. When I was called a fishwife in this place, which is the only time that I have got up to ask another member to withdraw, it was not just an insult to me but an insult and denigration of all women in our society. That is the point that I am trying to make. Decorum is fine. How could anyone be against decorum? We would all like to behave. We all already believe in it.

We must deal with the racist and sexist attitudes that I know the hon. member agrees exist here. We must do something to change that.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I would like to ask a question of the member for New Westminster—Burnaby. At the close of her remarks I thought she said something that was very valuable. She said that many times in the House and many times in committee work a lot of positive things happen.

Of course we have *Hansard*. This is the *Hansard* for October. There are many comments in it. The member unfortunately just highlights two, though she is correct in saying that even two is far too many. It is important that we emphasize the many positive things that happen here,

the many times behind the curtains and in committees positive, constructive comments are made.

Sometimes I think we do it to ourselves by having a debate and only talking about the negatives. I cannot imagine any company with 295 employees that would not have a couple of bad apples that everyone might be ashamed and embarrassed of. Yet there are many here who come in on a Monday, do their committee work, go home on a Thursday, and when they get back to their riding their constituents say: "We do not hear from you".

Many of us come here with no rules given to us. I came and I did not know the rules but I thought I would behave like a gentleman and other people would behave like ladies. Obviously I am a little bit naive.

I guess that is the point I would like to make to the member. We are quite right in pointing out that we do have warts, but I think it is also equally important to let the citizens of the country know that most of the time this is a place of professionalism and that most of the time all of us are proud to be part of that institution. I would just like her to comment on that.

Ms. Black: Mr. Speaker, I thank the member opposite for his comments and his question.

Yes, a lot of positive things do happen in the House of Commons. You never take off your partisan cloak entirely but when discussing issues that you want to make progress on, that perhaps do not have the highly partisan nature that a lot of the debate has here, there can be co-operation. For example, I introduced a private member's bill in the House of Commons. I then worked to get the support of the Minister responsible for the Status of Women and the Liberal critic. We worked together to get the support of other members of the House of Commons, and that bill went through. It has now gone through the Senate and is only awaiting Royal Assent at this point. We do work together at times and we should highlight that perhaps more often.

Unfortunately our friends in the media do not see that kind of work as newsworthy or headline grabbing as the other things that do hit the news.

The member mentioned that I highlighted two recent incidents that have hit the media in a big way. I could give him and the Chair many more incidents that have happened in this place, in committee and other places in the House of Commons. I did not want to do that. I did not want to raise the level of debate on those two issues, but believe me there are many more incidents that I could document.

You mentioned corporations earlier. Many corporations are now moving toward establishing a policy on personal harassment, establishing a policy on sexual harassment, a policy that is well written, publicized heavily throughout the corporation to its employees and management people, with a complaint mechanism and a human rights officer to whom those complaints can be taken. Perhaps that is the direction that this House should move in.

When I am insulted on a sexist basis around here I have a lot more equality, because I am a member of Parliament, than many of the female employees in the House of Commons working for members of Parliament. We should all be looking at this in broad terms to see how we can show leadership to Canadians on these issues.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I thank you and the House for the opportunity to speak to this motion.

This motion, as put forward by the government, makes no exclusions. It is a motion that equally affects all of us in this House. I think it is important that we reflect upon that. It asks us to show respect for one another. It asks us also to do that in the mood of respecting the differences we have and the different regions and the different constituencies we all represent in this House of Commons. I think that is important because we will stand and debate and we will have differences of opinion. We on this side do not want the opposition to be muzzled. We want ideas and approaches to be put forward. We all must do it in a matter than is somewhat different than the way this place has been operating.

• (1350)

Members have been mentioned today and members have made comments in this House. Good, hard working, diligent, intelligent members of Parliament have said things and made certain allegations that I do not

condone. They have said them and do not condone them themselves. I am sure that when they go home their spouses do not condone them. That is of very, very great concern.

What causes this sort of thing? I attempt to reflect upon it because I sometimes have problems being in the House when that sort of thing happens and it troubles me a great deal.

Why does that sort of thing happen? Canadians have also picked this up. The motion says that Canadians have expressed alarm at the excessive partisanship and the lack of decorum and civility that too often is evident in this House. They have great concern about that.

Where does this mostly come from? A lot of this rolls out from Question Period. That is what people are watching. As best I can figure out is that a pack mentality develops on all sides. No way would these individuals walk up to another individual and say these things to them personally.

I had a situation not too long ago where a group of picketers were outside my office. When I went to speak to them, there were some very, very vicious comments made from the back of the group. What I would do in each case was stop talking and walk very directly through the crowd to the person who made the remark. In every case, without exception, they smiled and certainly had a very different personal attitude about the situation when that sort of thing happened.

Therefore, it was the pack that did it. It was the group that allowed them to start talking in that manner. That, of course, is what develops it appears on all sides with the people in the House from time to time.

Canadians certainly have a lot of certain. They say that they should have respectable representation from their members of Parliament. This comes from what they see at times on TV and what they see on the TV clip from Question Period is a very negative situation. TV is a major media for our constituents. It is there for them to be afforded the opportunity to see what is happening in the House of Commons. But they get very perturbed and very disturbed at what they are seeing of this sort of action in here. They said that very straightforwardly. Also they would be very concerned if that medium was taken away. They like it.

Maybe at times they are watching just to see if we are going to change our act. Is this place going to clean up its act and stop this sort of thing that is going on here?

That is really it. At times, as was noted earlier by other colleagues in the House, acting starts to roll out. I mean we are sensitive to the acting to the situation. I guess that is part of the political make-up, but again I say I think our constituents are asking us to clean up that act.

As we know, we get into emotional situations. We go to the movie. We know it is not for real and we get caught up in it in a big way of having tears and all sorts of things. That of course is what happens there.

Of course, as we know, the citizens forum in its report said that Parliament is a charade of political gamesmanship. "It is just terrible the way they carry on in Parliament like unruly children." I am quoting from the report. "Bad-tempered brats, no control, quarrelling between parties. Why do they not get together and use their ideas better?"

We are getting it from all quarters. We are getting it from our constituents, our friends, our families, that this place needs to be changed. There have been ideas put forward by some here either in their presentation or in amendments made that this all can be done by leadership and discipline. I think that certainly there has to be leadership. In addition to that if we are going to discipline, we are going to discipline somebody after the fact, after something has been done. Might it not be better that we do it in this House by a tighter set of rules or by the enforcement of the rules of the House so there is not an eliciting of this sort of mentality that develops. I think that is the kind of thing that we should be looking at.

Greater discipline is fine, certainly party leadership discipline. I am worried. We do not want the situation to carry on where the comment from a person will roll out of their mouth and cause them some problem because of what happens here.

I heard my colleague from Broadview—Greenwood earlier saying he got caught up and ended up doing it himself. He was sitting there the other day and something rolled out. In a debate that is going on that is certainly not sexist or anything of that nature, something may tend to agitate the person who is speaking. That was

unnecessary and I am saying to myself "Why did my mouth open up?"

I think again it is that pack mentality, that emotion, that kind of thing that goes on.

I see the member across the way shaking her head at most of what I say. I am very sorry. I am very concerned about this and I feel very personal about it. If she does not agree with anything I am saying I hope she will stand up and say that. But, again, that is the kind of thing that happens. Here I am standing speaking in the House, speaking I think with some sort of feeling and interest, and I do not know if that sort of thing would happen if one on one we were talking to one another. This place seems to do that. I mean you do not talk to somebody and they sit or stand there all the time shaking their head no at you one on one. That does not happen. But why does it have to happen here?

I have concern that maybe there are a number of changes that we should go through. As we know we have looked at television in the House, and what that has caused, watching the House at work. A major report that was put out in December 1989 said that television has undoubtedly had a dramatic effect on the proceedings in the House. The general decorum of members, their dress, as well as their behaviour have all been affected and in the opinion of most observers has improved by the introduction of television. It has also been argued, though, that television has contributed to some less than positive developments. The most common complaint is that television has led to the over-emphasis on Question Period. Individual members tend to play to the cameras and they grandstand in hopes of getting a 15-second clip on the evening news. This was talked to a bit earlier.

• (1400)

It says there are problems but it is the responsibility of the members of Parliament to correct this. This report goes on and recommends that it would pan this situation here, to my right, where we have members standing back and talking. It would take a broader view and it would show Canadians what all is going on in the House of Commons. The actions and the funny expressions and those things that tend to agitate would be on national TV and then the constituents at home would say "I saw you doing something that was offensive" or "I saw this group all standing at the back behind the curtains having a meeting and making a lot of noise, and I saw you there". I think that sort of thing then would come home. We are all then partly responsible for this situation, where it is not just TV focused on the Speaker.

Another thing seems to come forward from my constituents and others. We have had testimony in the House management committee of people saying it is not what is seen, it is just what is heard, I mean this rumbling and this noise that goes on that they cannot see. That concerns people.

They want to see and they do not like what they see, but they keep going back to see it. Also they are concerned about what they cannot see and hear that is going on here.

The House management committee of course is looking at TV, not only for committees. Maybe the TV coverage kind of *Hansard* type of reporting that goes on in here should be changed, and that may help. A little bit earlier the member for Broadview—Greenwood talked about these long preambles that tend to get into innuendo and tend to agitate. I guess what he was saying is that in a way we are having a little trouble disciplining ourselves. We get over-zealous. Maybe the Chair and the kind of rules that we have here will then help us all do that sort of thing. That is maybe a way that we have to go at this thing.

These are the areas that I think need to be examined. I think all of us should get together to do it. If we do not, we are going to tear this place apart and we are going to have this ever more negative attitude put upon all of us. Certainly we have got to do some very fundamental things and we all have got to get to work in doing it together so that it does happen. Maybe if we get the partisanship out of it, and I think we are all trying hard to do that, we can then decide whether the rules should be changed. If rules are there should we then have the Chair be more disciplined in enforcing those rules? Maybe we need some help. It was certainly indicated to me by a member opposite that sometimes we all need some help. In the heat of the moment, the pack mentality that develops. It probably means that we need some help from the Chair. I would hope that we will all work together at that sort of thing developing and I think that certainly we can do that.

I appreciate the opportunity to speak to the House today on something that is of very, very great concern to me. It is of very great concern to the government, as was noted in the proposals of *Shaping Canada's Future Together* where it says: "therefore the Government of Canada, in co-operation with all parties in the House of Commons, will explore ways and means to strengthen the representational and legislative capacities of individual members of Parliament".

Also it says it will do that so that we will move toward a less adversarial and less negative attitude, perception and/or reality in this House. It is an important part of the proposals put forward in this very important document.

I think all of us want to do it. Let us all get together in a collective, non-partisan and intelligent way to make this the right kind of place to show our constituents that we are doing the right kind of job for them.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I would just like to respond to a couple of comments by the hon. member.

It is sad. I do not think he understands what the Canadian public is saying. I do not think the women of this country have phoned his office as much as they phoned ours after a comment like this.

The question of decorum in the House was introduced after a meeting between the status of women minister and the status of women critics about sexist comments and slurs against women.

No one was referring to a pack mentality. No one was referring to the fact that there is a negative situation. People are perturbed, upset, annoyed and alarmed when listening to sexist comments in this House. Pretty well every single member of Parliament today got up and talked about decorum.

How many of them talked purely about sexist comments? If we have to keep referring you back to saying you do not understand, please listen to what the women in this House are saying. Listen to what the women in Canada are saying or there is no use and no sense in discussing or passing this motion. We have to keep reminding you that what you are saying has nothing to do with the subject we should be discussing today.

I wonder if the citizens' forum and rally groups would have called it a charade. The forum said that we were acting like unruly children. What if it had heard the comments from certain members on the government side of this House? I do not believe it is just emotions that we get caught up in during Question Period.

I have another word for those two members of Parliament. It has nothing to do with being caught up in emotion, believe me. Most of the women in Canada feel the same way. I would just like to ask if you think that we are right as women in this House of Commons when we say that you have to learn to understand what we are talking about. We are not talking about partisan bickering. We are not talking about teasing one another across the hall. We are talking about a serious issue that concerns every single woman in this country. Could I have the member's comments?

Mr. James: Mr. Speaker, I am pleased to respond because certainly I thought I was noting those grave concerns. I certainly did.

I have my notes here that I looked down at while talking. I talked about sexism and racism. I am very concerned about that. I have four women: three daughters and my wife. We have lots of chats about this. Certainly I have a lot of feeling for that sort of thing.

If you were on the street talking to somebody and they asked you a question, they would stay there, look you in the eye and wait for the response. This place does this sort of thing.

I really have a problem with that. Certainly what I was trying to say is that the kind of sexist remarks that were made are somehow caused. I am not trying to offer any excuses. A lot of things are said, some of them are not racist or sexist but there are other things said which are certainly not as serious. What could be more serious than that?

• (1410)

However they are agitating and tend to embroil us in casting aspersions back and forth. People probably say to themselves after they get home: "Why did I do that, why did I do that?" Hopefully you know that I have very serious concerns and I agree with you.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to make sure that I made my point clearly to the member earlier when I was talking about

our preambles. I said that we may from time to time take a shot which might cast a bit of an aspersion on the government in general. I was trying to suggest that the reason I believe we tend to do that is because so often when we ask a straight question we do not get a straight answer. Does the hon. member not think that if we the government tended to give a a straight answer when we ask these questions that could possibly be the rebirth of some kind of basic trust in this place?

This process has to have an initiative on the government side first. In other words you are the people with the power. Your front bench, your cabinet really controls the agenda of this country, this House, committees, et cetera. Very few people realize that with respect to the backbenches of the government. I realize it is tough for a backbencher in the government to have input into the power structure of a government.

Would the hon. member not think it would be good advice for the backbenches of the government side to give some kind of counsel or advice to the cabinet of Canada to be a little bit more focused and a little bit more straight when it is being asked questions in this House.

Mr. James: Mr. Speaker, I hear where the member is coming from, rather than saying what might be done or what might not be done. Canadians do not want us just to talk about it; they actually want to see it.

What we could suggest is that when the hon. member next has the opportunity to ask a question of the Minister of Labour or his parliamentary secretary and if I am here to take it, he could put the question without a lengthy preamble and with no innuendo and I would him a straight, factual, concise answer. We could demonstrate to the rest of the House how to do this.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, before I begin my remarks I would like to have unanimous consent of the House to divide my time into two 10-minute periods.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent of the House?

Some hon. members: Agreed.

Mr. Walker: That reflects the spirit of co-operation that we are all showing in this debate. Perhaps it is an indication of how the members participating in this debate feel about the way this House has been run. If I could just speak from my recent experience of becoming a member of the House, having come in with the class of 1988. My expectations of the House have not lived up to the reality. I spent years before I arrived in the House teaching at the University of Winnipeg subjects such as Parliament and constitutions and interest groups. Now I am living the reality of what I have been teaching.

One of the concerns political scientists have when they write their text books and teach students is that the reality of an institution must match its symbolism. When things get out of sync and the symbolism of an institution does not match what is really happening then people begin to lose trust in that institution.

For example, if you go back in history the monarch began to lose power because the advisors wanted to rule things themselves. Then people said if it is the advisers let us elect them and Parliament evolved and so forth.

Right now we have a situation where Canadians do not really believe that Parliament makes them powerful. They believe that Parliament in fact is destroying their country and that when they turn on the TV it reflects this. Our behaviour reflects the destruction of an institution that is valued and not the creation of a dream that is important to them.

There is not one of us who has not at some time taken a cheap shot at someone else standing up in the House, whether it is heard or not heard. There has not been one of us who has not been frustrated by a minister's answer. There is not a minister who has not stood up and said: "I cannot believe the question you are asking".

I think we all have to realize that is the way this House has performed. Partly it is the responsibility of TV because TV brought the reality that this House is different from the way they imagined to the people of Canada.

In the old days when they sent people like my predecessor, Stanley Knowles—the long time member of the House of Commons who sits at the table every day—off by train there were certain expectations they imagined him to perform. The media reported those

expectations and that the relationship was healthy. With television people say that this House does not represent them. It does not represent them because if you look at it from a political science point of view the real functions of government do not take place here. They take place in minister's offices, they take place in committees, and they take place in press conferences. What is left here is a shell. The shell does not represent anything but the shadow of its old self.

Very few great debates take place here. Very few votes that are not predictable take place here. Very few revealing questions are asked here. When the reality is shifted elsewhere people on television are left with just the shell of Parliament's former self.

Therefore we have to begin as colleagues to see our way through this. How do we reorganize the House of Commons so that people see us working in a way that is responsible and reflects their desire to have a government functioning on their behalf? Perhaps we should begin to shift the coverage on television to the committees.

All of us have sat on good committees. For example, I think of the work of a committee that I sat on when I first became a member, Standing Committee on Disabled Persons and International Human Rights Committee. That was a fine example of a committee working in a non-partisan or multi-party fashion in which motions were discussed beforehand. All the time I sat on it there was not one vote. Everyone agreed beforehand on what to do. There was a spirit of collegiality. Whenever any member did make a partisan comment he or she usually got a little note from an interest group saying: "We prefer that you don't make those comments about your colleagues. We prefer that you work together. The life of disabled people is too difficult to hear partisan remarks being made about what is going on".

It was a lesson to me to try to find ways to work with colleagues. I stand in the House as someone who is concerned that we must begin, and this motion is a beginning. I hope that the government side takes seriously the amendments presented on racism and sexism because it is time we upgraded ourselves and begin to learn a little bit more about how language used in a previous generation is very offensive to people.

My colleague from Broadview—Greenwood, who just spoke a few minutes ago, and I represent the younger side of the House. This really is a generational thing. The people who grew up with one way of doing things have to learn that there is a nation out there that is much different. The composition of the House does not reflect the nation and in some respects the values of the nation.

We have to learn how to treat each other. Other people have mentioned that there is no other organization that gets into serious meetings in which the members divvy themselves up and say: "All right, here we have a budget of $140 billion. Here we have a deficit". What corporation would then take its top 300 people and say: "All right, you sit on this side and you sit on that side and let's fight about how we are going to solve this problem?"

No one out there believes that is how to create a country. No one in here should believe that is the way to create a country. There is natural conflict. We want different things.

There are five parties represented here who have distinctly different notions of a country. We go to the people every three or four years and put those different ideas in front of them. We ask them for their consideration. We spend money, we advertise, and we try to convince people. When we come back to the House, those visions have to be blended with the reality that we have been asked by Canadians to work together and that there is a difference in this country about what to do or else we would not have different parties. There is a consensus that they want something done in common. I think we should all take that lesson. There is not one of us who does not go home on weekends and have people look us in the eye and ask what is this all about.

• (1420)

I can tell you that I was never embarrassed to be an academic, although academics are usually considered to be pretty flaky people. The comments made to me were done with at least a little bit of awe that I somehow got there by some rhyme or reason that should be respected. I used to think that in some respects being an academic was not exactly the highest status thing to be, but I can tell you, compared to being a member of Parliament, being an academic is a piece of cake. It is because the lack of respect that permeates, not only with the average viewer seeing us, but I think, interesting enough with the interest groups. One of the big changes in Canadian politics is the fact that interest groups think it is quite

appropriate to call members of Parliament pigs. They think that just because they disagree with us, they have a right to say whatever they want. That also contributes to the debate.

Those people who seek to reform us on the outside should remember that there are people on all sides of this House who have the good will of a country at heart, who are willing to compete but are also willing co-operate, are willing to put forward a new face and are willing to try to reform their institutions. In return, we need people to support us.

In the motion, the government talks about decorum. I think we have to take this through on a daily basis, begin to work through the committee system and work through our caucuses to add decorum to the House. Old habits are said to die slowly, but the institutions of Canada are also very much at stake. When the functioning of this House begins to resemble the country and begins to function as a reflection of the country's interest, people regain faith that when they send us to Ottawa that we are doing something worth-while. When they see us on the weekend they will be proud of us. When it comes to an election, they will know the bitter fights are done in a context of the good will of the country.

In that spirit, I think the government should be thanked for putting this on the table. The opposition parties should be thanked for putting forward some very worth-while amendments. The House should seek to work together by supporting this motion.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to be able to address this particular question in the House and I shall refer to it as appropriate decorum, which means, as I define it, use of sensitive language and certainly not inappropriate gestures when one is using body language to communicate a particular point.

I called some people today once I knew I would be able to address the question. I was able to reach nine individuals, constituents of mine, and asked them how they felt about this. The first reaction was: "Thank goodness it is happening. It is about time". There was a feeling that this is something that should have occurred sometime ago.

I said: "What would you advise me to do in order to attempt to advance this debate and these questions?" They said: "Clean it up. There is no excuse for this kind of silliness, this kind of insensitivity, this kind of abusiveness". They said: "There must absolutely be less bickering. There needs to be more civility. Thank goodness you have made a beginning". They thought of it as a beginning only because we could clean it up here inside, but it must go beyond. It must go to the committee work, it must go in our relationships with each other as we have to deal with each other on some very important questions.

When I asked these individuals whom I contacted, men and women: "What is it that offends you the most?", they referred to the sexist language, the racist comments and the very abusive gestures.

I want to go on record to indicate in the strongest possible terms that I condemn all types of sexist language, all types of racial expressions and all insensitive gestures because what do they do, they simply bring out the worst in people, the worst in men and women as opposed to the best. It permits us to debase ourselves. It does not call upon us to give that which is best of every human being. It needs to be condemned, not only in this House, but wherever it happens.

Why does it happen? Clearly, on some occasions people do lose their tempers and they forget what it is they ought to do, how they ought to react. Also it is an expression of anger and it is their only way to express that anger. Also in some cases, it is very bad manners. In some instances as well, it is not only bad manners, it is certainly a reflection upon the way they were raised, the way they were educated, they way in which they were socialized and the fact that they have not kept up with the times, that they are still back there, while we should be up here looking forward.

[*Translation*]

I would also like to make an important distinction that does not seem to have been made today, and I am referring to the difference between inappropriate language and gestures and what I would call a certain commitment and passion about what we feel or want to say, which is called partisanship. I can be partisan—I am aware of that and I think I am from time to time—but I

don't have to use inappropriate language or gestures in the process. There is a distinction to be made. I think the impression has been given, because we have not been vigilant enough, that there was a connection between the two. Well, these are two things that can and must be separated. We must separate them. We have no choice.

Partisanship can be used—when I am in a position to do so, of course—to shed a more favourable light on my party and to try and promote its values, programs and objectives. It can also be used to emphasize, from time to time, what other parties are doing wrong, or to demonstrate the superiority of my own political group. However, there is a major distinction between partisanship and language and gestures that are distasteful.

Mr. Speaker, the question arises why we are considering this particular motion now: I have been in the House for nearly three years, and during that time I have noticed gestures and heard terms and phrases that have been censured since time immemorial. It is mainly because of two recent incidents: the sexist and outrageous language used by one government member, and the racist term used by another government member, and all this in the past month. And I am sure that my own constituents and those of my colleagues are very upset.

When these incidents occurred, I received some telephone calls here in Ottawa, from people who told me: What is going to happen to those people because of what they did? If I am not mistaken, nothing did happen. They were probably censured by their colleagues. Something was said about it here in the House, and they were reprimanded. But did they lose their jobs? Were they expelled from the House for a number of days or weeks or months? No! And now people are wondering why. They want to know how to show their disapproval of this kind of behaviour.

[*English*]

When the member for Halifax was addressing this question, I asked: "Why do you think this is happening right now?" She hesitated for a moment and then she finally said: "I hate to say it, but I think sexist language often reflects the deep anger that people hold toward women and that they do not understand why". I reflected upon that and I suspect there is a great deal of truth in what was said.

When she responded to why there were racist slurs or expressions toward another individual, her explanation was very, very similar. I would like to be able to reject that, but I cannot do so in good conscience. I know that in some instances that is not the case, but I fear that in too many instances that is in fact so.

I also asked the member for Halifax what could be done to counteract this.

• (1430)

Of course, there were a number of measures not only proposed by her but by others. For example, we need to in fact deal with it rapidly, sternly, and we need to develop an attitude that this kind of behaviour is totally, totally unacceptable.

The people who do that will be reprimanded severely not only by their party but by the House itself. We need to educate people. We need to point out what errors are made. We need to be patient at times, but we also need to be very firm when such occasions demand it.

The one question that I asked her, she admitted to me later on, my hon. colleague from Halifax, why was this behaviour defended by members of that same party. I could not understand that. I remember being a member of the Beaudoin—Edwards constitutional committee where a member of government, I do not know what it is that caught that particular member that day, unleashed a tirade against a particular political leader. Immediately, without hesitation, the co-chair reprimanded that individual and dissociated himself from those remarks.

The same could have been done here. You do not defend that kind of inappropriate behaviour. Why does this behaviour happen primarily in the House? We see each other in the corridors. We laugh, we tease, we cajole. Why, why? There is no doubt that it is the 15 second clip that we are looking for.

What an example for youth. I am the father of three daughters who ask me: Why do I bother working in this place if I am going to be treated like that, treat others like that or perhaps be in a position where I am seen to be exhibiting that kind of behaviour. They are amazed.

My colleague from Broadview—Greenwood mentioned a particularly important point. We sometimes reflect the mood of the people out there who are angry because of the high unemployment, the uncertainty of the future, the constitutional instability, the loss of jobs and the grief that they are suffering because they do not know whether or not the country will continue.

I think we need to exhibit that, but at the same time there are appropriate ways to do that.

[*Translation*]

Mr. Speaker, I would have liked more time to explore certain aspects, but I realize my 10 minutes are up. Thank you.

[*English*]

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I was very pleased to sit here in the House and listen to my colleague from Winnipeg in his comments on the motion put forward before us here today.

I think his viewpoints were probably very closely reflected to mine and the action and the appropriateness of this House and how we should all hopefully respond to any comments that are so directed either to us or we are directing against someone.

I would like to ask this member if there was something that we could do immediately, if there is something that we could do today in this House, what would be the first thing that he would do?

Mr. Duhamel: I thank my colleague for her question.

If I were granted one wish today, I would say that the moment that there is inappropriate language, insensitive gestures, sexist and racial slurs that are used, that the whole House stand and condemn that member and that member not return to the House until we are satisfied with that type of behaviour would not recur.

I would also mount an educational program to sensitize people to what is happening. Sometimes there is a lack of sensitivity and understanding that prevents people from behaving appropriately. I think we need to take that in our own hands. We need to deal with it for the young people of the nation and for all Canadians at times.

Mr. Rex Crawford (Kent): Mr. Speaker, I would like to congratulate the hon. member on an outstanding speech.

I would like a further explanation in his quotation of "there is anger in the people". Would he be so kind as to expound on that phrase that he used.

Mr. Duhamel Mr. Speaker, I would like to respond. Thank you for the question.

The distinction I wanted to make is that my colleague from Broadview—Greenwood I think had made an extremely insightful point, that we are reflecting this anger, this frustration, this grief that has been suffered by Canadians. My point was that I think it is appropriate and necessary and that is what we are here for, to represent what we feel and what we hear out there. We have to do it in an appropriate kind of way. When I mentioned this anger I gave a few examples: the loss of jobs, high unemployment, the big bonuses. That is an affront to people. They get angry. They get angry that people receive bonuses, sometimes several times the size of ordinary salaries. Talking about the strikes and the violence that people see makes them very uncomfortable. The excessive taxation gets them so angry because they do not see themselves going forward, but going backward.

Reductions of services. We have talked about VIA Rail and CN. We talked about the postal services again today and someone receiving a bonus in excess of $100,000 and postal service is being cut in my constituency as well as in others.

We talk about the double standard in pensions. I mentioned that double standard in pensions, our own pensions and others. We talked about taxation, insensitive, contradictory and unfair taxation. If I was to raise my child at home and someone else were to go out and work and get receipted day care, they would get income tax deductions. Married and unmarried couples with the same circumstances are taxed differently.

All of that gets people angry and frustrated. They see no hope for the future. We are having serious difficulties in the country; the fishermen without fish in the Atlantic provinces, western Canadians unable to sell their product and bankruptcies in Ontario. I could go on, but I think I have given an indication of how I feel and what I think is making people angry and very frustrated and disappointed with the whole process.

Mr. Jim Peterson (Willowdale): Mr. Speaker, we are talking in this House today about a bill which was provoked by comments made in this House by two members.

In the past there have been comments, terrible, offensive, that have been made by other members. It is too bad that a bill was provoked and has to be brought forward to deal with this type of issue.

I wonder whether through legislation dealing with the rules of conduct in this House we can really deal with the underlying causes of what is happening.

I am going to be very personal. A lot of discrimination is based on just sheer ignorance. A lot of this ignorance is generational. It was only 45 years ago that we had signs in Toronto saying: "No Jews or dogs allowed in parks". It was only in the 1950s that the Supreme Court of the United States said that blacks could ride on buses.

In the United States we still do not have an equal rights amendment. In Canada today we get very upset when people bring different customs to Canada from foreign lands. Be they simple customs of dress based on religion, people get upset because they cannot cope with these differences.

The history of our country has been one of discrimination; discrimination against our aboriginal peoples when we came here,. many fights and bitterness based on language, religion. We have not come a long way in learning to understand one another.

In a world that is becoming increasingly smaller, where we are closer through communications, through transport and travel, to people of diverse backgrounds, we have not yet learned that the diversity or the differences are not a source of challenge or confrontation, but can be a source or richness through our intellectual, cultural and to our spiritual beings.

• (1440)

Discrimination against women, is nothing new to our culture. In other cultures we have seen examples of it which are rampant. In some other cultures there is far less discrimination, less equality. In some there is more.

In my own personal case, I believe that was a certain generation of Canadians who grew up with the belief that a woman's place was in the home, and that was probably her only place, that she did not have to be involved in important decisions, involved in financed, involved in earning a living, involved in voting, involved in politics. You see part of the hangover of that today. There are so few women actually in this House of Commons. We are getting better. We are improving. We are working at it. We are trying to introduce positive measures to ensure that women are truly fully equal partners in the Canadian scene.

In terms of incomes, women are still at about 61 or 62 per cent of their male counterparts in Canada.

We have an awfully long way to go. We should look at our record and how we have treated so many people who are different from us, different from the male white majority. We are no longer the majority, which is probably good. We have to look at the record of discrimination, and I say it is not based on malevolence, it is based totally on ignorance.

I know that the younger generations that have come along have had a better opportunity by going to school, for example, where you are in an engineering class and maybe 50 per cent of the class is women. Now, that is a positive experience, and it is a learning experience for any male, and it is a better experience than when they went through engineering and there was not one woman in the class. I am not that old, but I went through a class where there was only one woman in our class at law school. That has changed dramatically.

Things are getting better. I guess the point I am trying to make is that no matter what we legislate here, it is not going to do much. Maybe it will be a small portion of educating ourselves, the 295 people selected by Canadians to represent their wishes in the highest court of the land. I mean, isn't it a shame that we have had to come to this, that we have had to admit that ignorance abides so much among us that we have to pass laws saying "Thou shall not be sexist, thou shall not be racist, thou shall not discriminate". My God, that is part of what we should all be about.

To me to have to admit that we are bringing in laws to deal with what should be the fundamental essence of being a human being in Canada, that has to be legislated or has to codified, is a sad day. I hope that through the efforts that are being made, maybe we as representatives of the people can be more conscious of just how ignorant we have been and how badly we as a body have served

Canadians that we would allow these attitudes to be coming forth from this highest chamber.

Maybe one can explain it on the basis that older people were brought up differently, that the ethos was different when they were raised in Canada, that they were raised under different times when the role of women was different; when race was not an issue that people could bring forth in the way it has been, when race was even in law a basis for discriminating against certain members of our society. Those times have changed. The laws have changed. We have a charter of rights. I can say we have a charter of rights in Canada and therefore we do not need this type of law. They have a charter of rights in the United States. It took them over a century to recognize that blacks are people, even under that bill of rights. It is no panacea.

In a time when the economy is shrinking and people are becoming fearful, less confident of their own futures, with more people fighting for a smaller pie, people are genuinely worried about where we are going and their own futures in Canada. Maybe it is natural that people will try to step on the backs of other people or other groups in order to feel more secure themselves. This is a human reaction that takes place in many cases. We know it is not the solution because we know none of us can get ahead by stepping on the backs of anyone else.

We have to work harder in these tough times. When people see the cause for their own uncertainty, when they see that and perceive it to be lying with other people who may be getting ahead of them, people are going to tend to become less magnanimous in their view about the role of other people. This is, of course, what we must fight against.

Unless we are prepared to recognize the true and full worth on an equal basis of every person in our society, our diverse society, there is no discrimination based on sex, language, religion, country of origin, creed, unless we are prepared to recognize the full potential of every one of these people, we are not going to climb out of the problems that we face. Economically unless every one of these individuals is a full player, with full opportunity in our economy, we are not going to be competitive on a global basis. We do not want peons and servants. We want co-workers and partners if we are going to get ahead.

Getting back to what we have heard in this House that has provoked this legislation, the two individuals who made the comments either immediately realized themselves that they were wrong, or maybe they were told by their leaders that they were wrong and they apologized. That was the only action taken.

Maybe apologies are sufficient. Maybe the shame that these individuals brought upon themselves, not for the harm they did to two people on this side of the House, but for the harm they brought to all parliamentarians, and the shame they put us all in because we belong to a body. Would it even be perceived that this type of action was either funny or humorous or acceptable.

We are all diminished by what has happened. I would hope that we could all use this as an opportunity to renew our own sense of what it is to be a human being, to be a human being in a country which in law respects equality, but which so often in practice has fallen far short of that mark. I think it is an opportunity to look at those who may be different than the majority of us in this House who ask why there are not more of the others here. Are their voices being represented adequately here? Are we doing everything possible, in our own hearts and souls, to recognize the true worth of those in Canada who are different from the majority of us here in this House?

• (1450)

Maybe our record is not at the top of the list of Amnesty International in terms of worst performance, but we have a tradition much longer than other countries. We have had an economy. We have had the infusion of people from so many countries who left their own countries because of various values that we do not see expressed in full measure here in Canada. They did not have equality of opportunity because of religion, politics and sex. They came to the new world.

In many ways our nation benefited from the abuses of other countries because we got people who had the guts to leave the old ways and to find new equalities and opportunities in our country. But we have fallen far short.

Perhaps, more important than anything else, this bill can serve as a reminder to us that we have not achieved the objectives that we have placed in our laws, to which we have all paid lip service but which have not been there in our hearts.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I have listened to my colleague intently. I think all of us appreciate the comments that he has made and the view of his country that that reflects. I think it is a view of the country and a concern about some things that are happening in this country that many Canadians share.

He would be aware, however, that no matter how salutary this motion is it has precious little to do with the events to which he referred. As a matter of fact, perhaps the most significant aspect about this resolution is that it pays no attention whatever to the sexist remarks and the racist remarks to which he referred.

In fact, Mr. Speaker, you may recall that when the Prime Minister responded to our leader in respect to the imposition of particular sanctions for sexist or racist remarks, one got a clear indication that the Prime Minister did not seem to understand the significant difference between general bad behaviour and individual insults and what was represented by the sexist remarks and racist remarks to which we are now referring.

Insults are directed at individuals and individuals are hurt. Those are not appropriate to the decorum of the House. But I wonder if my hon. colleague would agree with me that it is tragic that the difference between individual insults and class oriented insults or group insults or deprecatory remarks is much more substantial in their significance to this House because this House represents Canada. We have now come to accept Canada as a diverse nation made up of different groups of men and women of different colours, different national origins, different sexual orientation and different languages. When any of those groups are insulted in this place, we are insulting the very fabric of this nation. It does damage to the symbolism of this House and its substantive function in this nation.

I wonder if my colleague agrees with that analysis. I also wonder whether my colleague agrees with the analysis that is applicable to the general issue of the tenure of this place and its alleged lack of decorum. When I came into this House, in that spot over there, and stood up for the first time to ask a question I was in awe. I had been chosen in a nation which had shown that it had become a very different nation by choosing me. This nation told me that by being elected by my constituents I could come here and change things and influence what the government has done and would do. I have come here for seven years, day after day. I have seen that there is no real impact on what this government does. When I perceive and have to explain to my constituents that I have no more power than they have to change this government, is it any wonder that the frustration loose in the land should be reflected here?

I wonder if my hon. colleague in respect to that analysis agrees with me that one way of improving the decorum of this place is to make it a far more democratic institution than it has been since this government has been in office.

Mr. Peterson: My hon. friend, Mr. Speaker, from Windsor—St. Clair has expressed a number of very important ideas. It would be very nice if when 80 per cent of Canadians, or more, spoke out against the GST that this House could have in some way reflected that view of Canadians.

It would have been very nice if when most Canadians disapproved of the economic policies of this government, which created a made-in-Canada recession, we could have reversed those policies so that we did not have the needless job losses and the hurt to individuals, a hurt which was reflected in the frustration we members feel.

My friend talks about two types of wrongs in this House. Wrongs against individual members go with the job. We are going to be insulted at times even by members of our own families. As members, we expect to be insulted from across the floor. Maybe insult is not the right word. We expect to have strong disagreements. I hope it would be on that basis, not on the basis of personality.

My good friend is quite right when he says that insults against groups are not insults against individuals in this House. There are insults against key core components and groups of Canadians. You cannot tell me what a Canadian is without mentioning first of all that we are a tremendously diverse, different group of people. There is no necessarily common thread when you look at language, sex, religion, culture, background, ethnic origin. Every one of us is a minority.

Probably the most significantly Canadian group are Canada's aboriginal peoples. They are different as well.

The hon. member was the subject of an insult, not against him personally, I agree. It was an insult, a racist comment that struck many Canadians through him, not just those who are black but Canadians of every colour. I would hope that Canadians who are white would feel it was a slap as well at them. After all we are a multi-coloured, multi-racial country.

The Acting Speaker (Mr. DeBlois): Order, please. It being three o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

JUSTICE

CONVICTION OF DAVID MILGAARD

Mr. Ian Waddell (Port Moody—Coquitlam) moved:

That, in the opinion of this House, the government should recognize the serious possibility that a miscarriage of justice has resulted in the murder conviction of David Milgaard and order a new trial in the case.

He said: Mr. Speaker, on January 31, 1969 it was minus 42 degrees in Saskatoon, Saskatchewan that morning. That morning, very early, Gail Miller, a 20-year old nursing assistant, got up and got ready for work. She left her rooming house at about 7 a.m. Her bus stop was about a block and a half away. Between her home and her bus stop she was attacked, set upon, stabbed repeatedly in the back and the chest, and was sexually assaulted. She died tragically within 30 minutes of leaving her home. Her body was found about an hour later, just before dawn on that very cold and chilly Saskatoon winter morning.

The body was found in a snowy back alley between her rooming house and the bus stop. That same morning, three young people—and I will call them in the terms of the late sixties, three young hippies, basically teenagers—came from Regina. Their names were Nicol John, Ron Wilson and David Milgaard. Milgaard was 16 years old at the time.

The three young people came by car overnight from Regina. They arrived in Saskatoon in the early morning hours. They were looking for the home of Albert Shorty Cadrain. Albert Cadrain was also a teenager. They subsequently found the home of Cadrain. They picked up Cadrain and they left Saskatoon with him later that day, about noon, on the way to Edmonton.

Later the Crown charged David Milgaard, one of those young people, with murder. In 1991 Milgaard is one of Canada's longest serving prisoners. He spent most of what was really the most vital part of his life in prison. The key witnesses against Milgaard were Nicol John and Ron Wilson, the two people in the car. I think everybody would agree that they gave inconsistent testimony in the beginning, in the middle of this story, at the end of the story, and even today. But I will get back to that.

Their evidence at the time of the trial was that the three arrived in Saskatoon around 6.30 a.m. on N Avenue or O Avenue. That is in Saskatoon. They noticed a young woman in a black coat and they asked for directions. They continued to drive to the end of the block. They tried to turn but the car got stuck. Canadians in the west know what it is like on those cold winter mornings and evenings where cars can often get stuck. The car got stuck and the two boys got out to push the car, unsuccessfully. They could not get it out so they went off in different directions for help.

Wilson was away from the car for about five minutes. He returned, he said, to find Nicol John, the young woman, hysterical. Milgaard was away for about 10 minutes. The car became unstuck. They got the car moving and they drove to the Traveleer Hotel in Saskatoon where David Milgaard got out of the car, went into the hotel and asked for directions. The motel manager, one Rasmussen, said that Milgaard was perfectly normal except that he was wearing only socks on his feet, no boots. He was polite, did not seem to have any blood or wetness on his clothes, and he thanked the motel manager for giving him, Milgaard, a map.

The three youths then set out for the Cadrain home. They got stuck again and a couple called the Danchuks helped them, called a tow truck, and invited the kids into their home. At this time Milgaard was polite and his clothes were not wet according to the Danchuks, who are independent witnesses.

Finally the young people arrived in the Cadrain home one and a half blocks away from where the body of Gail Miller was found. Wilson, Cadrain, Nicol John and David Milgaard, four teenagers, got in the car and left

for Edmonton—in the language of the 1960s—"in search of dope, in search of drugs".

One month later Cadrain was picked up on another matter and jailed for vagrancy. When questioned about Milgaard he said that he saw blood on Milgaard's clothes on the day in question.

Wilson and John were interviewed. Wilson was in jail for theft and told that he was a suspect. After a lot of pressure he finally said that he saw blood on Milgaard's clothing and that Milgaard had a paring knife in the car.

Nicol John was in jail. At first she said nothing. Then finally she made a statement to the police on May 24, 1969. She was in jail for the whole night. At the end of that evening she finally told police that Milgaard had left the car, tried to snatch the purse from the woman, and stabbed the woman who was in front of the car.

There was forensic evidence in the case. I will not get into all the forensic evidence. It is a little long and it gets very detailed. It deals with blood samples, pubic hair and semen samples.

I will deal with it in a moment, as it was set out in a new paper on the Milgaard case just recently released in the past few weeks by Neil Boyd, Professor of the School of Criminology at Simon Fraser University, and Kim Rossmo, a graduate student at that same university. They point out that the forensic evidence could go either way. In fact the forensic doctor says that if he had to give the evidence again that evidence would point not to the guilt but to the innocence of Milgaard.

The Crown's case had problems. The Crown's case went to a jury and after 11 hours the jury convicted Milgaard of murder.

I just want to deal with some of the problems we now have with the case. As Professor Boyd says in his paper: "But some important questions emerged from the trial transcript and defence counsel noted at trial the timing that would make this crime possible is extremely tight. Within no more than 10 minutes of having stabbed and raped Gail Miller, David Milgaard is seen by hotel manager Rasmussen over a mile from the site of the murder, relaxed, polite and wearing only socks on his feet. Within no more than 30 minutes of having killed Gail Miller, David Milgaard is seen by Walter and Melissa Danchuk. He is said to be chatty and polite".

There are further problems with the case. A decade after the case there have been some recent changes.

The first one is with respect to Albert Cadrain, Shorty Cadrain, who said he saw blood on Milgaard's clothing. In fact, as Mr. Cadrain's brother Dennis had said recently: "Albert was picked up by the police, questioned 15 to 20 times. There was constant pressure, threats and bullying and he developed stomach ulcers and became very paranoid. He was committed to the psychiatric ward at University Hospital in Saskatoon, approximately a year after the trial". His brother further said that Cadrain is: "prone to exaggeration". He suffered from schizophrenia before the murder and afterward.

More importantly the main witness, Mr. Wilson, has recanted his evidence. On page 23 of the Boyd report Ron Wilson says that his evidence was wrong, that he did not see what he told the police he saw. Professor Boyd says at page 23, and I quote:

> The minister's conclusion that Ron Wilson's recantation is simply not credible is difficult to support. Wilson's reasons for lying now are not easy defined. He risks a perjury charge related to his statements at trial, and there is no evidence or suspicion that he has received any financial benefit from his recantation. He seems, rather, to have suffered both personally and financially since his statement to the investigator, Paul Henderson.

• (1510)

The case has received a great deal of public interest, especially because of the fact that 10 years later we have suddenly realized that in the same area of Saskatoon there was a serial rapist loose right on the scene. His name was Larry Fisher and he was involved in—and I have the sexual assaults here in Saskatoon—seven assaults, including North Battleford and Winnipeg assaults. In fact, according to Professor Boyd, the psychological and graphic profile of the sex offenders in these cases fits one Larry Fisher who is serving time in jail now and not David Milgaard.

I want to summarize Professor Boyd's conclusion:

> There is virtually no case against David Milgaard. Only Albert Cadrain still believes that he saw blood on David Milgaard. Albert Cadrain also believes that David Milgaard will try to kill him if he gets out of jail. Ron Wilson now says that he lied at the trial, and Nicol John doesn't want to speak about the case. The forensic evidence tends to exclude David Milgaard.

The case has been written about recently. I leave this for the House and the minister. *The Toronto Star* said in an editorial on August 11, 1991 entitled "Will justice prevail in Milgaard's case": "Nor can Justice Minister Campbell ignore the disturbing signs that Saskatoon police officers quickly decided that Milgaard committed the crime and then rejected any evidence that didn't fit in with their theory".

In the August 16, 1991 *Saskatoon Star Phoenix* there was an editorial saying that there should be a review of the case. In *The Toronto Star* on August 22, 1991 there was an article headed "Troubling parallels in Marshall–Milgaard cases". It says:

> In the Marshall case Nova Scotia police used Pratico's new statement against Marshall to get supporting testimony from 14–year old Maynard Chant, saying that he had seen Marshall commit the murder. Chant's about–face was like that of John and Wilson in the Milgaard case. They originally gave statements removing Milgaard from the scene of the crime, then eventually conformed to Cadrain's version of the truth. Wilson has since sworn a statement to say "I was manipulated into lying against him (Milgaard). I was 17 years old and very frightened because I felt that the police were trying to pin the murder on me".

In each case, in the Marshall case and in the Milgaard case, young witnesses changed their key testimony from that of the trial.

The Winnipeg Free Press has been writing about this case as well. I will quote from a commentary in *The Globe and Mail* on Friday, October 11 where Peter McWilliams, a noted lawyer, writes: "It is time to let David Milgaard go". He points to the factual evidence that was not there at the trial which shows that the serial rapist who was afoot was at least as good a suspect, if not a better one, than Milgaard. The defence did not have that evidence and could not introduce it at the time of the trial. Mr. McWilliams also mentions that: "The Crown used the statement of Nicol John to cross–examine Nicol John". She never gave that evidence in trial but the jury knew while she was on drugs she seemed to see something happen in front of the car, a stabbing.

I want to conclude by saying that if you can accept any one of the following, you can find David Milgaard innocent. If you accept Mr. Wilson's testimony then I believe a jury would find David Milgaard innocent. If you accept the independent witnesses' testimony about the fact that there was no blood on Milgaard and the demeanour of Milgaard, you could in fact find David Milgaard innocent.

The forensic evidence which played an important role in the trials if anything excludes Milgaard. It does not include Milgaard. Indeed this view is now agreed to by the expert who said he would testify differently at the trial if it were held today.

Fourth, you can find David Milgaard innocent if you accept the clear evidence suggesting Larry Fisher, the serial rapist, was a far better suspect than Milgaard and that Milgaard never had access to the evidence to link Fisher to the crime.

There was evidence that the material link to Fisher was found near the crime. There was evidence that Fisher lived near the victim. There was evidence that Fisher acted strangely when confronted by his wife that morning of the rape.

There is similar factual evidence with other confirmed rapes. We could compare the kind of character that Fisher was and compare him to David Milgaard who was a 16–year old hippie kid who had no previous record of violence, as far as I know. You can find David Milgaard innocent if you accept that Albert Cadrain showed evidence of schizophrenia before and after the trial. His evidence that he saw blood on the shirt but not on the sweater of Milgaard is simply not credible.

Finally there is no direct physical evidence that David Milgaard was on the scene of the crime. The evidence putting him there is filled with contradiction. It was a result of young witnesses who progressively changed their story. I am not blaming the police. There was pressure on the police to solve the case.

Clearly they were young, unreliable and vulnerable. This thing builds momentum because the police do not want to go back and say: "Maybe a mistake was made".

What are the options? My background is as a Crown Attorney in British Columbia for the city of Vancouver and as a defence council. I appreciate this evidence and I am deeply worried that this great justice system that I think we have may have done an injustice here. That is why the minister has a number of options.

The first option is to order a new trial. I realize it will not be easy but it is a possibility. Second, she could refer this to the Saskatchewan Court of Appeal for review. The problem is Mr. Milgaard's original defence lawyer is on that court. Third, she could refer it to the Supreme Court of Canada for review or she could grant David

Milgaard a free pardon which would make him clear of all guilt.

I know I have to conclude. I want to say one other thing before I conclude and I hope the House will give me time to just wind up. It is very important that in the Boyd report Professor Boyd mentions what was recommended by the Marshall commission.

Let me just quote: "In 1989, a royal commission on the Donald Marshall prosecution concluded that section 6(9)(e)," that is a review power by the minister should be replaced by an independent review mechanism. "We recommend that this review body have investigative power so it may complete and have full access to any and all documents, material required in any particular case and to have powers so witnesses can be compelled to provide information."

We cannot have the same people who prosecuted do an investigation to determine the possibility of a miscarriage of justice because it goes against their own interests. That is what the royal commission was saying in the Marshall inquiry. The Milgaard case is a perfect example.

This apparent miscarriage of justice has taken the best years of life away from David Milgaard. I believe it is time for the minister to rise above the bureaucratic inertia and show some real courage and show what can be great about our system. In Britain, the accused Irish group was subsequently given a new trial and the charge was dismissed. People said that was a great mistake, that the IRA people were railroaded into guilt when they were in fact innocent and it was a great tragedy of the British system. To me, it was the great genius of the system. The system had enough guts and enough courage and enough justice to go back and say: "We made a mistake".

• (1520)

I say to this House there is the evidence that I can see. I invite the minister to put the McIntyre report before the public and any other evidence she has. But the evidence looks to me, and I think to the the members of this House, that a miscarriage of justice has been done here. This man is still serving time. Surely the minister should refer it for a new trial or take a new look at this case. I urge her and plead with her to do that.

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I listened with interest to my colleague from Port Moody—Coquitlam and his motion before the House this Friday afternoon. I can tell this House it is very much colder in in Stony Mountain, Manitoba, at this very moment. While we are basking in some 18 degrees of warmth here in the nation's capital, it is quite cold at home with quite a bit of snow on the ground.

I would like to also tell this House that for many days, weeks, months and years David Milgaard has been incarcerated at the Stony Mountain Penitentiary in my constituency, not 15 miles from where I live. I suspect he would be watching with interest this particular debate in the House of Commons presented by the member for Port Moody—Coquitlam.

This is indeed a very serious motion. It deals with a person, a human being, his life, his past, his 21 years, I believe, in prison as a result of a conviction of murder. I can also say that I had the opportunity to meet with Mr. Milgaard personally almost a year and a half ago when his case was being brought into some prominence and being discussed by not only lawyers, but being reviewed by his family members. I know members of this House know and have talked to Mr. Milgaard's mother. She personally called me yesterday. Among the members of Mr. Milgaard's family is a great deal of hope that our Department of Justice, our Minister of Justice and, as a result of even a visit with our Prime Minister, this case would be reviewed.

Unlike my colleague from Port Moody—Coquitlam, I do not have a lawyer's legal background. I am not going to state the case as my colleague just has, as if he were instructing the jury, this House being the jury and all those listening to the House of Commons. I cannot say how they should view this case as a final summation. I cannot, like my colleague, say everything I have heard is absolutely 100 per cent correct. I certainly was not there. I can only go by the different things I have heard from individuals.

After 21 years, he still proclaims his innocence after being in a penitentiary and different jails in this country, notwithstanding what that must do to the human spirit, mind and soul. In fact, one does have to wonder, and I

think all of us in this House will agree, that that alone would make any one of us consider whether there was, as suggested, a miscarriage of justice. I wrote the Minister of Justice beginning back on April 4, 1990. Later, there were two subsequent letters. There has been an unprecedented amount of media coverage of this particular case. Many of us, including my colleague from Winnipeg, have been quoted on statements we made with respect to the Milgaard case. We have been quoted because we have taken an interest. We are elected members of Parliament and we have to represent all Canadians, albeit the ones in Stony Mountain do not have a right to vote. I deem that still as an area that I represent. Upon any request I have for a meeting, whether it is with penitentiary management, the guard union or the prisoners' union, I have made myself available to them.

I do not know that I can draw the same conclusions, but I will say one thing with respect to this case. There appears to have been so much additional evidence since the original trial, so many more people coming forward providing a new slant toward this case, that I genuinely support the member's motion that the minister review this. The people of Canada should be provided with additional evidence that either it warrants a new trial or that the most intellectual people and people in positions of power, meaning perhaps former Supreme Court Justices who have all the evidence before them, can recommend that this particular issue of David Milgaard be revisited.

What the outcome of that would be I cannot say. Clearly we have another case which now warrants a new review by the minister as was put forward in this motion. If the answer to that by the minister is no, then I would hope that at the very least the evidence of why the case could not come back to trial would also be given. In other words, I do not think the public of Canada can accept just a plain no in respect to the Milgaard situation.

Mr. Speaker, I do not have as much time as my colleague who moved this motion, but I sincerely believe that there is no one in the human race who is without fault, who has not made mistakes, whether it is us as members of Parliament, whether it is those who are presently serving and have served time for their sins and misdeeds to society. There are those who may pass judgment, such as lawyers, judges, people who have sworn testimony who may have made errors, or misled, and caused what is now considered by some to be a total miscarriage of justice. I alone, like many in this House, would not want to be sitting in that position.

Our Minister of Justice probably finds herself dealing with one of the most difficult decisions of her political career as a minister. I trust that she is viewing this particular exercise in the House as one of very important consideration in her judgment and that she will seek the best of council in reviewing this case. I would very much want to let everyone know that I support the motion by my colleague from Port Moody—Coquitlam.

• (1530)

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I am happy I was able to alter my plans to be here today to participate in this most important debate.

A man's freedom is on the line. Moreover David Milgaard's life is on the line. That is, what is left of it.

Our justice system has snatched away more than 20 years of life from David Milgaard. Those are years from the prime of his life and they cannot be given back to him but a wrong can be corrected. Our justice system can recognize its mistakes. Give David Milgaard his freedom. Let him go. He has suffered enough. The system has had its pound of flesh. Are his jailers so callous and so brutal that nothing short of death itself or a grovelling confession to a murder he did not commit will satisfy them?

In the short time available to me I want to explain why David Milgaard should be set free and should be granted a hearing so that the courts may re-decide this case. I am confident that if he can gain a new trial the Crown will fail to sustain its original conviction.

This was a botched case from the very first day. It was botched by nearly everyone who came in contact with it in those fateful days of the late 1960s. There were no heroes back then, not in this case. There was the over-zealous Saskatoon police under pressure to nab someone, anyone, after a series of brutal crimes in the city of Saskatoon. There was a questionable defence strategy which failed to tie the Gail Miller murder to other similar vicious assaults in Saskatoon around the very same time.

The Crown got a conviction all right. It got it on what is now discredited forensic evidence and on testimony from shabby, unreliable witnesses who claimed they were coerced by police. Even the judge may not have instructed the jury well enough.

What about the forensic evidence? Four days after nurse Gail Miller was stabbed more than a dozen times and left to die in snow on a cold Saskatoon morning in 1969 semen was found near the murder scene. Analysis showed it came from what is called a type *a* secretor. There is strong evidence that David Milgaard is a non-secretor. The jury was told that the sample of semen found was contaminated by blood, David Milgaard's blood. That was the Crown's theory.

Forensic experts have since seriously questioned that theory. It is now believed that the jury was not properly instructed on how to interpret the forensic evidence. There is an interpretation of the evidence that in effect says David Milgaard was not the murderer, but the jury was not told that.

What about the Crown witnesses? What a lovely bunch of coconuts. Professor Neil Boyd of Simon Fraser University and his associate D. Kim Rossmo, a Ph.D candidate at Simon Fraser, have written an excellent report on the Milgaard case. They say this about the friends of Milgaard who testified against him: "Ron Wilson, a witness who has since recanted, sketches a picture of disenfranchized street youth in 1969 on the fringes of the fledgling hippie culture and on the edge of a criminal lifestyle. They were all involved in using illegal drugs".

Ron Wilson was questioned by police for two months. He did not have to testify against Milgaard but as Boyd and Rossmo put it: "Implicating Milgaard was the easiest way to remove himself from a persistently stressful situation".

In an interview last year Wilson is quoted as saying: "I just wanted to get the hell out of there and whatever happened happened". The rest of the witnesses were no better.

Nicol John, in a statement to police, said: "Milgaard tried to snatch the purse from a woman and then stabbed her repeatedly". She said: "The knife was in his right hand". Milgaard is left-handed.

At the trial itself Nicol John changed her story and said she could not remember anything about Milgaard stabbing the women. There are other problems with John's statements.

There was another Crown witness, Albert Cadrain, who may have experienced paranoia while under intense police pressure.

Commenting on this experience with police Cadrain said last year: "They asked me the same questions repeatedly. This went on for months. They put me through hell and mental torture".

Two other witnesses made damaging statements against David Milgaard. Craig Melnick and George Lapchuk testified in a Regina motel room about three months after the murder that Milgaard re-enacted the murder and quoted Milgaard as saying he stabbed the woman 14 times. How reliable is that testimony? The court was told that Milgaard and some of the others had taken LSD earlier that evening. LSD is a mind-altering drug.

There is more to this bizarre and very tragic case. Around the time the murder occurred that morning in Saskatoon, perhaps only minutes after the stabbing, Milgaard, Ron Wilson and Nicol John showed up at a Saskatoon motel. Robert Rasmussen was the manager. Did he notice anything unusual about Milgaard, who allegedly committed a brutal murder just minutes earlier? The answer is no. Rasmussen testified that he noticed nothing unusual about Milgaard or his clothes. He said Milgaard was polite.

Minutes after leaving the motel the three teenagers got their car stuck in the snow. They were assisted by a couple by the name of Danchuk who invited the trio into their home to warm up. Was anything unusual noticed about Milgaard, who spent one hour with the Danchuks? The Boyd—Rossmo report says: "No witness observed that David Milgaard's clothing was ripped, a likely outcome of a struggle in a snowbank".

Walter Danchuk said Milgaard was polite and soft spoken and that he had been doing most of the talking for the group. He had been talking about selling magazines and about trying to find their friend, Albert Cadrain.

Not only does the Crown's case lie in tatters but there is evidence that another man, Larry Fisher, was the real killer of Gail Miller. Larry Fisher is a brutal, savage serial rapist. In the fall of 1968, just months before the January 31, 1969 murder of Gail Miller, Larry Fisher carried out three vicious rapes in Saskatoon. In the year

following the Miller murder, in 1970, he committed three more vicious assaults in Winnipeg. He was arrested and given a 13-year sentence. He was released in 1980 and soon after attacked and nearly killed a woman in North Battleford. He is back in prison.

Why is he a suspect? He was committing his serious crimes around the time of the Miller murder. He rode the 20th Street bus to work in Saskatoon. So did Gail Miller. Certainly Miller's murder appears more likely to have been committed by a man like Fisher than by Milgaard who had no history of violence or sex offences.

The speculation about Fisher of course does not clear Milgaard by itself, but it is one more shadow of doubt over his murder conviction. There is a lot more to this incredible story but I cannot recount it here.

Will our justice system come crashing down if David Milgaard is freed and cleared of his conviction? No. Would it mean the system is riddled with lousy judges and lawyers? No. What it does mean is that we recognize human beings for what they are. They are not perfect. Our institutions are not perfect. Each and every one of them, including our justice system, can and does make mistakes.

Do we have the courage to admit our mistakes? Do we have the courage to admit that we have possibly incarcerated an innocent man for more than 20 years? I hope so. I certainly hope so for David Milgaard's sake.

In closing, I hope the government is listening, especially the Minister of Justice. I chose not to discuss her handling of the case today because the country already knows just how bad it is. It is never too late. There is still time for justice. There is still time for David Milgaard. Canadians are asking the Minister of Justice to heed the words of this motion and do what is right.

• (1540)

I would like to thank my colleagues for their support, those from Manitoba. I would like to cite them: Lloyd Axworthy, Ron Duhamel of St. Boniface, Ray Pagtakhan of Winnipeg North and David Walker of Winnipeg North Centre. They have all lent their support in this very worthy cause.

[*Translation*]

Mrs. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, a decision to exercise the executive's power to order a new trial in a case where the courts have already handed down a decision must be considered very carefully. We must bear in mind the independent role of the courts. It is up to them to decide whether the accused is innocent or guilty. In a trial before judge and jury, jury members are responsible for reaching a verdict based on the facts, while the judge determines how the law is to be applied.

To ensure this tradition is observed, ministers of Justice refuse to substitute their own opinion for those of jury members or judges. However, in cases where, on the basis of new facts that come to light after the court's decision, there is reason to believe there has been a fundamental miscarriage of justice, the Minister of Justice has subsequently made the appropriate decision, in other words, referred the case back to the courts.

It is important to understand where the prerogative of pardon fits into the criminal justice system and to use it the way it was meant to be used. Section 690 of the Criminal Code says the Minister of Justice may order a new trial or refer the case to the Court of Appeal. That is an extension of the Crown's prerogative of pardon which is reflected in our legislation.

Mr. Speaker, this recourse is available only when all legal recourse has been exhausted. In the David Milgaard case, an impartial jury declared him guilty, an independent Court of Appeal rejected his appeal, and an appeal to the Supreme Court of Canada was rejected in 1971.

Consequently, the applications to the Minister of Justice are outside the judicial process. However, the judicial review process provided under section 690 may, when it is desirable to do so, allow a new examination by the courts. That was the procedure followed in the Donald Marshall case, and more recently in the Wilson Nepoose case.

By passing section 690, Parliament has conferred on the Minister of Justice the authority to accept or reject such requests. This responsibility is exercised without any partisan or political considerations, in the broadest sense of the word.

When exercising this important responsibility, the minister must carefully examine each individual request. Decisions cannot be made lightly, and a thorough understanding of all the facts is essential The minister's decision must be based on a thorough analysis of all aspects of the case, in accordance with recognized legal standards.

For instance, when David Milgaard filed his first appeal, experts were called in to examine questions of a scientific nature and to give their opinion. Facts obtained from every possible source, including the lawyer's briefs, were carefully analyzed to determine whether there could have been a fundamental miscarriage of justice.

Mr. Speaker, the reports given by the media in this case overlooked a number of important points in connection with the first appeal. The Minister of Justice, however, analyzed them before making her decision. She cannot comment on the case in this House or in the media because she is prohibited from doing so by law.

One thing the minister considers frustrating in this matter is the tendency of some commentators in the media to report only part of the evidence in the Milgaard case and not to take account of how it fits into the total picture. Indeed, it is important to look at the case as a whole, from beginning to end, and that is exactly what several of the minister's senior legal advisers are now doing. It is just such partial and incomplete views of the affair that have given rise to misinterpretations and raised questions from some members of the House, which presuppose a certain view of the matter.

The minister considered the first request objectively, in accordance with the established legal standards, and will give the same consideration to any subsequent request, as she did with every case submitted to her in the past.

The Minister of Justice has the responsibility to ensure that justice is done. I can tell you, Mr. Speaker, that the minister will fulfil this responsibility with the necessary objectivity, care and compassion.

Mr. Ian Waddell (Port Moody—Coquitlam): On a point of order, Mr. Speaker. The hon. member said there was insufficient evidence. Perhaps she could put this evidence before this House. She cannot just come out and say: "There is no evidence." We, in the opposition as well as other members and also the government member who spoke before me, want to know where is this evidence.

The Acting Speaker (Mr. DeBlois): The Chair does not take a position in this kind of debate. It is a question of opinion. Speakers have had every opportunity to express their points of view and the Chair listens carefully to the points of view expressed on all sides. If other members wish to speak, they can rise and do so.

[*English*]

Mr. Waddell: Mr. Speaker, on a point of order, no other members having indicated they wanted to speak, I would seek the unanimous consent of the House to have the question put. We could put it on a voice vote.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member raises a point of order. This motion is not a votable item under the Standing Orders. Therefore I cannot grant the request made by the hon. member for Port Moody—Coquitlam.

[*English*]

There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

[*Translation*]

It being 3.47 p.m., the House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.47 p.m.